

*Mike Braun* S.J.C.  
**Amendment #2**

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To amend the Public Health Service Act to clarify rules relating to drug discounts for covered entities.

**IN THE SENATE OF THE UNITED STATES—118th Cong., 1st Sess.**

**S. 1339**

To provide for increased oversight of entities that provide pharmacy benefit management services on behalf of group health plans and health insurance coverage.

Referred to the Committee on \_\_\_\_\_ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. BRAUN

Viz:

- 1 At the appropriate place, insert the following:
- 2 **SEC. \_\_\_\_ . DRUG DISCOUNTS AND AUDITS FOR COVERED**
- 3 **ENTITIES.**
- 4 Section 340B(a)(5)(C) of the Public Health Service
- 5 Act (42 U.S.C. 256b(a)(5)(C)) is amended—
- 6 (1) by striking “A covered entity shall permit”
- 7 and inserting the following:
- 8 “(i) **DUPLICATE DISCOUNTS AND**
- 9 **DRUG RESALE.—A covered entity shall per-**
- 10 **mit”; and**
- 11 (2) by adding at the end the following:

1                   “(ii) USE OF SAVINGS.—A covered en-  
2                   tity shall permit the Secretary to audit, at  
3                   the Secretary’s expense, the records of the  
4                   entity to determine how net income from  
5                   purchases under this section are used by  
6                   the covered entity.

7                   “(iii) RECORDS RETENTION.—A cov-  
8                   ered entity shall retain such records and  
9                   provide such records and reports as deter-  
10                  mined necessary by the Secretary for car-  
11                  rying out this subparagraph.”.