

Lowering Drug Costs for American Families Act (H.R. 4895)

SECTION 1. SHORT TITLE.

Section 1 includes the title of the Act, which is the "Lowering Drug Costs for American Families Act."

SECTION 2. EXPANDING THE DRUG PRICE NEGOTIATION PROGRAM.

Section 2(a) amends Section 1192(a)(4) of the Social Security Act to expand the number of drugs subject to negotiation for the initial price applicability year 2029 and each subsequent year thereafter.

Section 2(b) expands the definition of Maximum Fair Price (MFP) Eligible Individual under Section 1191(c)(2) of the Social Security Act to include an individual who is enrolled under a group health plan or health insurance coverage offered in the group or individual market.

Section 2(c) applies the administrative procedures required under Section 1196(a)(3) of the Social Security Act to also incorporate additional MFP Eligible Individuals, as defined in Section 2(b).

Section 2(d) inserts a new section into title XI of the Social Security Act to establish that a group health plan or health insurance issuer offering group or individual health insurance coverage shall be treated as having in effect an agreement for the purposes of applicability of the drug price negotiation program unless a plan or issuer affirmatively elects not to participate under the program.

Section 2(e) amends Part D of title XXVII of the Public Health Service Act, part 7 of subtitle B of title I of the Employee Retirement Income Security Act, and chapter 100 of the Internal Revenue Code of 1986 to extend the drug price negotiation program and the application of MFP to a group health plan or health insurance issuer offering group or individual health insurance coverage with an agreement in effect. The section requires plans and issuers with an agreement in effect to apply the MFP when determining cost-sharing with respect to selected drugs and prohibits cost-sharing from exceeding the MFP. Ensures these savings are available to retiree-only plans.

SECTION 3. APPLICATION OF PRESCRIPTION DRUG INFLATION REBATES TO DRUGS FURNISHED IN THE COMMERCIAL MARKET

Section 3(a) amends section 1847A(i) of the Social Security Act to apply the Part B inflation rebate to drugs furnished in the commercial market.

Section 3(b) amends section 1860D-14B of the Social Security Act to apply the inflation rebate for Covered Part D drugs to drugs furnished in the commercial market.