

117TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

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\_\_\_\_\_ introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

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

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “\_\_\_\_\_ Act of  
5 \_\_\_\_\_”.

6 **SEC. 2. DRUG DISCOUNTS AND AUDITS FOR COVERED ENTI-**  
7 **TIES.**

8 Section 340B(a)(5)(C) of the Public Health Service  
9 Act (42 U.S.C. 256b(a)(5)(C)) is amended—

1           (1) by striking “A covered entity shall permit”  
2           and inserting the following:

3                   “(i) DUPLICATE DISCOUNTS AND  
4                   DRUG RESALE.—A covered entity shall per-  
5                   mit”; and

6           (2) by adding at the end the following:

7                   “(i) USE OF SAVINGS.—A covered en-  
8                   tity shall permit the Secretary to audit, at  
9                   the Secretary’s expense, the records of the  
10                  entity to determine how net income from  
11                  purchases under this section are used by  
12                  the covered entity.

13                  “(ii) RECORDS RETENTION.—A cov-  
14                  ered entity shall retain such records and  
15                  provide such records and reports as deter-  
16                  mined necessary by the Secretary for car-  
17                  rying out this subparagraph.”.