Congressional Budget Office
Cost Estimate

May 22, 2019

H.R. 2376, Prescription Pricing for the People Act of 2019

As ordered reported by the House Committee on the Judiciary on April 30, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Deficit Effect	0	0	0
Spending Subject to Appropriation (Outlays)	0	2	n.e.

Pay-as-you-go procedures apply?	No	**Mandate Effects**	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

n.e. = not estimated.

H.R. 2376 would require the Federal Trade Commission (FTC) to study whether anticompetitive practices exist within the pharmaceutical supply chain, especially practices carried out by pharmacy benefit managers or intermediaries. The FTC would research potential legal or regulatory barriers to effective enforcement and methods that payers and companies use to assess the costs and benefits of contracting with intermediaries. Finally, among other requirements, the FTC would be required to formulate policy or legislative recommendations to deter anticompetitive behavior in the pharmaceutical supply chain. The FTC would submit preliminary findings to the Congress 180 days following enactment and provide a final report to the Congress one year following enactment.

Using information from the FTC on the cost of similar studies, CBO estimates that the FTC would need nine employees including attorneys, economists, research analysts, and paralegals. That effort would cost about $2 million over one year, subject to the availability of appropriated funds. Although the cost would vary by position, CBO estimates that the average cost per employee would be $175,000.

The CBO staff contact for this estimate is David Hughes. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.