

**S. 1388, Prescription Pricing for the People Act of 2021**

As ordered reported by the Senate Committee on the Judiciary on July 29, 2021

By Fiscal Year, Millions of Dollars	2022	2022-2026	2022-2031
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	1	2	not estimated
Statutory pay-as-you-go procedures apply?	No	<b>Mandate Effects</b>	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2032?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

S. 1388 would require the Federal Trade Commission (FTC) to study whether anticompetitive practices exist within the pharmaceutical supply chain, especially as carried out by pharmacy benefit managers or intermediaries. Under the bill, the FTC would research potential legal or regulatory barriers to effective enforcement and identify methods that payers and companies use to assess the costs and benefits of contracting with intermediaries. In addition, the FTC would be required to formulate policy or legislative recommendations to deter anticompetitive behavior. The bill would require the FTC to submit preliminary findings to the Congress 180 days after enactment and a final report one year after enactment. S. 1388 also would require the FTC to report to the Congress on the number and nature of complaints about sole-source drug manufacturers, the FTC's ability to engage in enforcement against such manufacturers, and recommendations to strengthen the FTC's ability to prosecute anticompetitive behavior.

Using information from the FTC about similar activities, CBO estimates that the agency would need about 11 employees, including attorneys, economists, research analysts, and paralegals, to complete the work. Although the cost would vary by position, CBO estimates that, on average, the cost per employee would be \$200,000 and that implementing the bill would cost about \$2 million over the next two years; any spending would be subject to the availability of appropriated funds.

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