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(Original Signature of Member)

115TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

To amend the Public Health Service Act to require certain disproportionate share hospital covered entities under the 340B drug discount program to submit to the Secretary of Health and Human Services reports on low-income utilization rates of outpatient hospital services furnished by such entities.

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IN THE HOUSE OF REPRESENTATIVES

Mr. CARTER of Georgia introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the Public Health Service Act to require certain disproportionate share hospital covered entities under the 340B drug discount program to submit to the Secretary of Health and Human Services reports on low-income utilization rates of outpatient hospital services furnished by such entities.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “340B Optimization  
3 Act”.

4 **SEC. 2. REQUIRING 340B DRUG DISCOUNT PROGRAM RE-**  
5 **PORTS BY DSH HOSPITAL COVERED ENTITIES**  
6 **ON LOW-INCOME UTILIZATION RATE OF OUT-**  
7 **PATIENT HOSPITAL SERVICES.**

8 (a) IN GENERAL.—Section 340B(d)(2) of the Public  
9 Health Service Act (42 U.S.C. 256b(d)(2)) is amended—

10 (1) in subparagraph (B)(i), by inserting before  
11 the period at the end the following: “, including,  
12 with respect to such updates made on or after Janu-  
13 ary 1, 2020, by requiring covered entities described  
14 in subsection (a)(4)(L) to submit (and to so regu-  
15 larly update) information described in subparagraph  
16 (C)”;

17 (2) by adding at the end the following new sub-  
18 paragraph:

19 “(C) INFORMATION ON LOW-INCOME UTI-  
20 LIZATION RATE OF OUTPATIENT HOSPITAL  
21 SERVICES.—

22 “(i) IN GENERAL.—For purposes of  
23 subparagraph (B)(i), the information de-  
24 scribed in this subparagraph, with respect  
25 to a covered entity described in subsection

1 (a)(4)(L) and an update under such sub-  
2 paragraph (B)(i), is—

3 “(I) the low-income outpatient  
4 utilization rate of such covered entity  
5 for the most recent fiscal year; and

6 “(II) the low-income outpatient  
7 utilization rate of off-site outpatient  
8 facilities, clinics, eligible off-site loca-  
9 tions, and associated sites of such en-  
10 tity identified as child sites of such  
11 entity pursuant to the identification  
12 system under subparagraph (B)(iv)  
13 for the most recent fiscal year.

14 “(ii) LOW-INCOME OUTPATIENT UTI-  
15 LIZATION RATE DEFINED.—In this sub-  
16 paragraph, the term ‘low-income outpatient  
17 utilization rate’ has the meaning given the  
18 term ‘low-income utilization rate’ under  
19 paragraph (3) of section 1923(b) of the  
20 Social Security Act, except that—

21 “(I) clauses (i) and (ii) of sub-  
22 paragraph (A) of such paragraph  
23 shall be applied as if—

24 “(aa) each reference to ‘pa-  
25 tient services’ were a reference to

1 ‘patient services furnished on an  
2 outpatient basis’; and

3 “(bb) for purposes of clause  
4 (i)(II) of this subparagraph, each  
5 reference to ‘hospital’ were a ref-  
6 erence to ‘off-site outpatient fa-  
7 cilities, clinics, eligible off-site lo-  
8 cations, and associated sites of  
9 the hospital that are identified as  
10 child sites of the hospital pursu-  
11 ant to the identification system  
12 under section 340B(d)(2)(B)(iv)  
13 of the Public Health Service Act’;  
14 and

15 “(II) clauses (i) and (ii) of sub-  
16 paragraph (B) of such paragraph  
17 shall be applied as if—

18 “(aa) each reference to ‘in-  
19 patient hospital services’ were a  
20 reference to ‘outpatient hospital  
21 services’; and

22 “(bb) for purposes of clause  
23 (i)(II) each reference to ‘hos-  
24 pital’s charges’ were a reference  
25 to ‘charges of the off-site out-

1 patient facilities, clinics, eligible  
2 off-site locations, and associated  
3 sites of the hospital that are  
4 identified as child sites of the  
5 hospital pursuant to the identi-  
6 fication system under section  
7 340B(d)(2)(B)(iv) of the Public  
8 Health Service Act’.”.

9 (b) ANNUAL REPORTS.—Not later than January 1,  
10 2021, and annually thereafter, the Administrator of the  
11 Health Resources and Services Administration shall sub-  
12 mit to Congress a report on information submitted by cov-  
13 ered entities for the previous year pursuant to the amend-  
14 ments made by subsection (a).