H. R. 111

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.

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,
SECTION 1. SHORT TITLE.

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

SEC. 2. REQUIRING 340B DRUG DISCOUNT PROGRAM REPORTS BY DSH HOSPITAL COVERED ENTITIES ON LOW-INCOME UTILIZATION RATE OF OUTPATIENT HOSPITAL SERVICES.

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

(1) in subparagraph (B)(i), by inserting before the period at the end the following: “, including, with respect to such updates made on or after January 1, 2020, by requiring covered entities described in subsection (a)(4)(L) to submit (and to so regularly update) information described in subparagraph (C)”;

and

(2) by adding at the end the following new subparagraph:

“(C) INFORMATION ON LOW-INCOME UTILIZATION RATE OF OUTPATIENT HOSPITAL SERVICES.—

“(i) In General.—For purposes of subparagraph (B)(i), the information described in this subparagraph, with respect to a covered entity described in subsection
(a)(4)(L) and an update under such subparagraph (B)(i), is—

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

“(II) the low-income outpatient utilization rate of off-site outpatient facilities, clinics, eligible off-site locations, and associated sites of such entity identified as child sites of such entity pursuant to the identification system under subparagraph (B)(iv) for the most recent fiscal year.

“(ii) LOW-INCOME OUTPATIENT UTILIZATION RATE DEFINED.—In this subparagraph, the term ‘low-income outpatient utilization rate’ has the meaning given the term ‘low-income utilization rate’ under paragraph (3) of section 1923(b) of the Social Security Act, except that—

“(I) clauses (i) and (ii) of subparagraph (A) of such paragraph shall be applied as if—

“(aa) each reference to ‘patient services’ were a reference to
patient services furnished on an outpatient basis’; and

“(bb) for purposes of clause (i)(II) of this subparagraph, each reference to ‘hospital’ were a reference to ‘off-site outpatient facilities, clinics, eligible off-site locations, and associated sites of the hospital that are identified as child sites of the hospital pursuant to the identification system under section 340B(d)(2)(B)(iv) of the Public Health Service Act’;

and

“(II) clauses (i) and (ii) of subparagraph (B) of such paragraph shall be applied as if—

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

“(bb) for purposes of clause (i)(II) each reference to ‘hospital’s charges’ were a reference to ‘charges of the off-site out-
patient facilities, clinics, eligible off-site locations, and associated sites of the hospital that are identified as child sites of the hospital pursuant to the identification system under section 340B(d)(2)(B)(iv) of the Public Health Service Act.”.

(b) Annual Reports.—Not later than January 1, 2021, and annually thereafter, the Administrator of the Health Resources and Services Administration shall submit to Congress a report on information submitted by covered entities for the previous year pursuant to the amendments made by subsection (a).