

[DISCUSSION DRAFT]115TH CONGRESS
2^D SESSION**H. R.** _____

To amend the Public Health Service Act to raise the minimum disproportionate share adjustment percentage required of certain hospitals as a condition of qualifying for the 340B drug discount program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. BARTON introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Public Health Service Act to raise the minimum disproportionate share adjustment percentage required of certain hospitals as a condition of qualifying for the 340B drug discount program, and for other purposes.

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 “Protecting Safety-Net
5 340B Hospitals Act”.

1 **SEC. 2. MINIMUM DISPROPORTIONATE SHARE ADJUST-**
2 **MENT PERCENTAGE REQUIRED OF CERTAIN**
3 **HOSPITALS UNDER 340B DRUG DISCOUNT**
4 **PROGRAM.**

5 (a) **IN GENERAL.**—Section 340B(a)(4)(L)(ii) of the
6 Public Health Service Act (42 U.S.C. 256b(a)(4)(L)(ii))
7 is amended by striking “11.75 percent” and inserting “18
8 percent”.

9 (b) **CONFORMING AMENDMENT.**—Section
10 340B(a)(4)(M) of the Public Health Service Act (42
11 U.S.C. 256b(a)(4)(M)) is amended by striking “that
12 would meet the requirements of subparagraph (L),” and
13 all that follows through “as defined by section
14 1886(d)(1)(B) of the Social Security Act.” and inserting
15 the following: “that—

16 “(i) meets the requirements of clauses
17 (i) and (iii) of subparagraph (L); and

18 “(ii) for the most recent cost report-
19 ing period that ended before the calendar
20 quarter involved, had a disproportionate
21 share adjustment percentage (as deter-
22 mined under section 1886(d)(5)(F) of the
23 Social Security Act) greater than 11.75
24 percent or was described in section
25 1886(d)(5)(F)(i)(II) of such Act.”.

1 (c) APPLICABILITY.—The amendments made by this
2 section shall apply with respect to calendar quarters begin-
3 ning on or after January 1, 2020.

4 **SEC. 3. INCREASED DISCOUNT FOR CERTAIN COVERED EN-**
5 **TITIES UNDER 340B DRUG DISCOUNT PRO-**
6 **GRAM.**

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

9 (1) in subparagraph (A), by striking “For a
10 covered outpatient drug” and inserting “Subject to
11 subparagraphs (B) and (C), for a covered outpatient
12 drug”; and

13 (2) by adding at the end the following new sub-
14 paragraph:

15 “(C) DRUGS PURCHASED BY CERTAIN COV-
16 ERED ENTITIES.—In the case of a covered out-
17 patient drug purchased by a covered entity
18 (other than a covered entity described in sub-
19 paragraph (L) or (N) of paragraph (4)) in a
20 calendar quarter beginning on or after January
21 1, 2020, the rebate percentage otherwise deter-
22 mined under subparagraph (A) for such drug
23 shall be increased by **【five percent】** / **【five per-**
24 **centage points】**.”.