

115TH CONGRESS  
2D SESSION

# H. R. 5598

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

APRIL 24, 2018

Mr. CARTER of Georgia (for himself and Mr. COLLINS of New York) introduced the following bill; which was referred to the Committee on Energy and Commerce

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## 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,*

3 **SECTION 1. SHORT TITLE.**

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

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

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

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

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

16 “(C) INFORMATION ON LOW-INCOME UTI-  
17 LIZATION RATE OF OUTPATIENT HOSPITAL  
18 SERVICES.—

19 “(i) IN GENERAL.—For purposes of  
20 subparagraph (B)(i), the information de-  
21 scribed in this subparagraph, with respect  
22 to a covered entity described in subsection  
23 (a)(4)(L) and an update under such sub-  
24 paragraph (B)(i), is—

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

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

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

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

22 “(aa) each reference to ‘pa-  
23 tient services’ were a reference to  
24 ‘patient services furnished on an  
25 outpatient basis’; and

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

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

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

20 “(bb) for purposes of clause  
21 (i)(II) each reference to ‘hos-  
22 pital’s charges’ were a reference  
23 to ‘charges of the off-site out-  
24 patient facilities, clinics, eligible  
25 off-site locations, and associated

1 sites of the hospital that are  
2 identified as child sites of the  
3 hospital pursuant to the identi-  
4 fication system under section  
5 340B(d)(2)(B)(iv) of the Public  
6 Health Service Act’.”.

7 (b) ANNUAL REPORTS.—Not later than January 1,  
8 2021, and annually thereafter, the Administrator of the  
9 Health Resources and Services Administration shall sub-  
10 mit to Congress a report on information submitted by cov-  
11 ered entities for the previous year pursuant to the amend-  
12 ments made by subsection (a).

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