

SECOND REGULAR SESSION

HOUSE BILL NO. 2081

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KEATHLEY.

4030H.01I

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 191, RSMo, by adding thereto one new section relating to the 340B drug pricing program, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 191, RSMo, is amended by adding thereto one new section, to be
2 known as section 191.1064, to read as follows:

191.1064. 1. As used in this section, the following terms mean:

2 **(1) "340B-covered entity":**

3 **(a) An entity described in 42 U.S.C. Section 256b(a)(4)(L) through 42 U.S.C.**
4 **Section 256b(a)(4)(O) that:**

5 **a. Is authorized to participate in the federal 340B Drug Pricing Program under**
6 **Section 340B of the federal Public Health Service Act (42 U.S.C. Section 256b(a)(4));**
7 **and**

8 **b. Has a service address in this state as of January first of the reporting year;**
9 **and**

10 **(b) Any offsite outpatient facility affiliated under the 340B program with an**
11 **entity described in paragraph (a) of this subdivision;**

12 **(2) "340B program", the federal 340B Drug Pricing Program established under**
13 **42 U.S.C. Section 256b;**

14 **(3) "Charity care", the unreimbursed cost to a hospital of providing, funding, or**
15 **otherwise financially supporting health care services:**

16 **(a) To a person classified by the hospital as financially indigent or medically**
17 **indigent on an inpatient or outpatient basis; and**

EXPLANATION — Matter enclosed in bold-faced brackets ~~[thus]~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 (b) To financially indigent patients through other nonprofit or public outpatient
19 clinics, hospitals, or health care organizations;

20 (4) "Department", the department of health and senior services;

21 (5) "Financially indigent", an uninsured or underinsured person who:

22 (a) A hospital accepts for care with no obligation or a discounted obligation to
23 pay for the services rendered;

24 (b) Qualifies for such care based on a hospital's financial criteria and procedure
25 for determining whether a patient is eligible for charity care, which shall include income
26 levels and means testing indexed to the federal poverty guidelines; and

27 (c) The hospital determines is eligible for such care under the hospital's
28 eligibility system either before or after health care services are provided;

29 (6) "Medically indigent", a person who:

30 (a) Receives or will receive medical or hospital bills, after payment by third-
31 party payers, that exceed a specified percentage of the person's annual gross income as
32 determined in accordance with the hospital's eligibility system;

33 (b) Is financially unable to pay the remaining balance after payment by third-
34 party payers; and

35 (c) The hospital determines is eligible for assistance under the hospital's
36 eligibility system for charity care either before or after health care services are
37 provided.

38 2. Before April first of each year, a 340B-covered entity shall report the following
39 information and transactions to the department concerning the 340B-covered entity's
40 participation in or participation on behalf of the 340B-covered entity in the federal 340B
41 program for the previous calendar year:

42 (1) The name of the 340B-covered entity;

43 (2) The service address of the 340B-covered entity;

44 (3) The 340B program identification number of the 340B-covered entity;

45 (4) The designation of entity type, as specified in 42 U.S.C. Section 256b(a)(4), of
46 the 340B-covered entity;

47 (5) The aggregate acquisition cost for all prescription drugs obtained under the
48 340B program and dispensed or administered to patients;

49 (6) The aggregate payment amount received for all drugs obtained under the
50 340B program and dispensed or administered to patients;

51 (7) The aggregate payment made to pharmacies under contract to dispense
52 drugs obtained under the 340B program;

53 (8) The number of claims for prescription drugs described in subdivision (6) of
54 this subsection;

55 (9) How the 340B-covered entity uses any savings from participating in the 340B
56 program, including the amount of savings used for the provision of charity care,
57 community benefits, or a similar program of providing unreimbursed or subsidized
58 health care;

59 (10) The aggregate payments made to any other entity that is not a 340B-covered
60 entity and is not a contract pharmacy as described in subdivision (7) of this subsection
61 for managing any aspect of the 340B-covered entity's 340B program;

62 (11) The aggregate payment made for any other administering expense for the
63 340B program;

64 (12) The aggregate number of prescription drugs dispensed or administered to
65 patients for which a payment was reported under subdivision (6) of this subsection;

66 (13) The percentage of the 340B-covered entity's claims that were for
67 prescription drugs obtained under the 340B program;

68 (14) The number and percentage of low-income patients of the 340B-covered
69 entity that were served by a sliding-fee scale for a prescription drug dispensed or
70 administered under the 340B program;

71 (15) The 340B-covered entity's total operating costs;

72 (16) The 340B-covered entity's total costs for charity care; and

73 (17) A copy of the 340B-covered entity's financial assistance policy for the
74 reporting year.

75 3. The information required to be reported under subdivisions (6) to (8) of
76 subsection 2 of this section shall, to the extent feasible, be reported by payer type,
77 including the following:

78 (1) Commercial;

79 (2) Medicaid;

80 (3) Medicare; and

81 (4) Uninsured.

82 4. The data submitted in the reports required under subsection 2 of this section
83 is confidential and is not available for public inspection.

84 5. Before November fifteenth of each year, the department shall prepare a report
85 that aggregates the data submitted under subsection 2 of this section and:

86 (1) Submit the report to the general assembly in an electronic format; and

87 (2) Post the report on the department's website.

88 **6. A 340B-covered entity that fails to provide the information required under**
89 **this section by the date required shall pay a fine of one thousand dollars per day that the**
90 **information is past due.**

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