

SENATE BILL No. 168

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-18-2; IC 16-40-6.

Synopsis: 340B drug program report. Requires an entity authorized to participate in the federal 340B Drug Pricing Program to annually report specified data to the Indiana department of health (department). Requires the department to submit a report of the aggregated data to the legislative council and post the report on the department's website.

Effective: July 1, 2024.

Charbonneau

January 8, 2024, read first time and referred to Committee on Health and Provider Services.



Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

SENATE BILL No. 168



A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 16-18-2-52.5 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 52.5. (a) "Charity care",
3 for purposes of IC 16-21-6, ~~and IC 16-21-9~~, **and IC 16-40-6**, means the
4 unreimbursed cost to a hospital of providing, funding, or otherwise
5 financially supporting health care services:
6 (1) to a person classified by the hospital as financially indigent or
7 medically indigent on an inpatient or outpatient basis; and
8 (2) to financially indigent patients through other nonprofit or
9 public outpatient clinics, hospitals, or health care organizations.
10 (b) As used in this section, "financially indigent" means an
11 uninsured or underinsured person who is accepted for care with no
12 obligation or a discounted obligation to pay for the services rendered
13 based on the hospital's financial criteria and procedure used to
14 determine if a patient is eligible for charity care. The criteria and
15 procedure must include income levels and means testing indexed to the
16 federal poverty guidelines. A hospital may determine that a person is
17 financially or medically indigent under the hospital's eligibility system



1 after health care services are provided.

2 (c) As used in this section, "medically indigent" means a person
3 whose medical or hospital bills after payment by third party payors
4 exceed a specified percentage of the patient's annual gross income as
5 determined in accordance with the hospital's eligibility system, and
6 who is financially unable to pay the remaining bill.

7 SECTION 2. IC 16-18-2-64.5 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 64.5. "Community
9 benefits", for purposes of IC 16-21-9 and **IC 16-40-6**, has the meaning
10 set forth in IC 16-21-9-1.

11 SECTION 3. IC 16-40-6 IS ADDED TO THE INDIANA CODE AS
12 A **NEW CHAPTER** TO READ AS FOLLOWS [EFFECTIVE JULY
13 1, 2024]:

14 **Chapter 6. 340B Drug Pricing Program Reporting**

15 **Sec. 1. As used in this chapter, "340B covered entity" means an**
16 **entity authorized to participate in the federal 340B Drug Pricing**
17 **Program under Section 340B(a)(4) of the federal Public Health**
18 **Service Act (42 U.S.C. 256b(a)(4)) and includes any pharmacy**
19 **under contract with the entity to dispense drugs on behalf of the**
20 **entity.**

21 **Sec. 2. (a) Before April 1 of each year, a 340B covered entity**
22 **shall report the following information to the state department**
23 **concerning the 340B covered entity's participation in the federal**
24 **340B Drug Pricing Program for the previous calendar year:**

- 25 (1) **The name of the 340B covered entity.**
26 (2) **The aggregate acquisition cost for prescription drugs**
27 **obtained under the 340B program.**
28 (3) **The aggregate payment amount received for drugs**
29 **obtained under the 340B program and dispensed to patients.**
30 (4) **The aggregate payment made to pharmacies under**
31 **contract to dispense drugs obtained under the 340B program.**
32 (5) **The number of claims for prescription drugs described in**
33 **subdivision (3).**
34 (6) **How the 340B covered entity uses any savings from**
35 **participating in the 340B program, including the amount of**
36 **savings used for the provision of charity care, community**
37 **benefits, or a similar program of providing unreimbursed**
38 **health care to the indigent.**

39 (b) **The information required to be reported under subsection**
40 **(a) must be reported by payer type, including the following:**

- 41 (1) **Commercial.**
42 (2) **Medicaid.**



- 1 **(3) Medicare.**
- 2 **(c) The data submitted in the reports required under subsection**
- 3 **(a) is confidential and is not available for public inspection.**
- 4 **(d) Before November 15 of each year, the state department shall**
- 5 **prepare a report that aggregates the data submitted under**
- 6 **subsection (a) and:**
- 7 **(1) submit the report to the legislative council in an electronic**
- 8 **format under IC 5-14-6; and**
- 9 **(2) post the report on the state department's website.**

