

116TH CONGRESS
1ST SESSION

H. R. 1323

To amend title XVIII of the Social Security Act to extend the floor on the area wage index under the inpatient prospective payment system to certain sole community hospitals and to amend the Public Health Service Act to provide eligibility for certain sole community hospitals to discounted drug prices under the 340B drug pricing program.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 22, 2019

Mr. PETERSON (for himself and Mr. TIPTON) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to extend the floor on the area wage index under the inpatient prospective payment system to certain sole community hospitals and to amend the Public Health Service Act to provide eligibility for certain sole community hospitals to discounted drug prices under the 340B drug pricing program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Rural Hospital Fron-
3 tier Fairness Act”.

4 **SEC. 2. EXTENDING FLOOR ON AREA WAGE INDEX TO CER-**
5 **TAIN SOLE COMMUNITY HOSPITALS.**

6 Section 1886(d)(3)(E)(iii) of the Social Security Act
7 (42 U.S.C. 1395ww(d)(3)(E)(iii)) is amended—

8 (1) in subclause (I), by inserting before the pe-
9 riod at the end the following: “and, for discharges
10 occurring on or after October 1, 2019, the area
11 wage index applicable under this subparagraph to
12 any sole community hospital that is located not more
13 than 75 miles from the closest frontier State and
14 that makes an election under subclause (V) may not
15 be less than 1.00”; and

16 (2) by adding at the end the following new sub-
17 clause:

18 “(V) SOLE COMMUNITY HOS-
19 PITAL ELECTION.—The Secretary
20 shall provide for a process under
21 which a sole community hospital de-
22 scribed in subclause (I) may elect, at
23 such time and in such manner as
24 specified by the Secretary, to apply
25 subclause (I) to such sole community
26 hospital.”.

1 **SEC. 3. ELIGIBILITY OF CERTAIN SOLE COMMUNITY HOS-**
2 **PITALS FOR DISCOUNTED DRUG PRICES**
3 **UNDER THE 340B DRUG PRICING PROGRAM.**

4 (a) **IN GENERAL.**—Section 340B(a)(4) of the Public
5 Health Service Act (42 U.S.C. 256b(a)(4)) is amended by
6 adding at the end the following new subparagraph:

7 “(P) An entity that is a sole community
8 hospital (as defined in section
9 1886(d)(5)(C)(iii) of the Social Security Act),
10 that was classified as such a hospital before Oc-
11 tober 1, 2015, and that is located not more
12 than 75 miles from the closest frontier State
13 (as defined in section 1886(d)(3)(E)(iii)(II) of
14 such Act).”.

15 (b) **EFFECTIVE DATE.**—

16 (1) **IN GENERAL.**—The amendment made by
17 subsection (a) shall apply to drugs purchased on or
18 after the first day of the first month that begins
19 more than 60 days after the date of the enactment
20 of this Act.

21 (2) **CONFORMING 340B AGREEMENTS.**—The
22 Secretary of Health and Human Services shall pro-
23 vide for such timely modification of agreements en-
24 tered into under section 340B of the Public Health
25 Service Act (42 U.S.C. 256b) as is necessary to pro-
26 vide for the application of the amendment made by

- 1 subsection (a) on a timely basis consistent with
- 2 paragraph (1).

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