

Unofficial Document

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM
2025 REGULAR SESSION

Amend printed copy of **SB 14**

Beginning on page 1, line 3, and continuing through page 2, line 1, delete Section 1 in its entirety; and

On page 1, after line 2, by inserting the following:

"➔SECTION 1. A NEW SECTION OF KRS CHAPTER 216 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "340B drug" means a covered outpatient drug, as defined in 42 U.S.C. sec. 1396r-8(k)(2), that has been subject to any offer for reduced prices by a pharmaceutical manufacturer pursuant to 42 U.S.C. sec. 256b(a)(1), and is purchased by a nonprofit hospital;

(b) "340B program" means the federal prescription drug pricing program established in 42 U.S.C. sec. 256b;

(c) "340B profit" means the difference between:

1. The aggregate payments received from insurers, payors, and self-paying patients for all 340B drugs; and

2. The aggregate acquisition cost paid for all 340B drugs;

(d) "Charity care" means free or discounted health services provided to an individual who meets the hospital's financial assistance criteria and is unable to pay for

Amendment No. SFA

Rep. Sen. Gex Williams

Committee Amendment _____

Signed: _____

Floor Amendment _____

LRC Drafter: _____

Adopted: _____

Date: _____

Rejected: _____

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services received:

- (e) "Charity care costs" means the total cost for charity care incurred by a nonprofit hospital, including any offsite outpatient facility associated with the hospital that dispenses 340B drugs purchased by the hospital;
- (f) "Contract pharmacy" means a pharmacy with which a nonprofit hospital has contracted to dispense 340B drugs on behalf of the nonprofit hospital to patients of the nonprofit hospital, whether distributed in person, by mail, or any other means of dispensing; and
- (g) "Nonprofit hospital" means a private nonprofit corporation or hospital that:
1. Is licensed by the Cabinet for Health and Family Services as a hospital; and
 2. Meets the definition of covered entity in 42 U.S.C. sec. 256b(a)(4)(L), (M), (N), or (O).
- (2) By July 1, 2026, and each year thereafter, each nonprofit hospital shall report the following information to the Cabinet for Health and Family Services, with respect to the nonprofit hospital and separately for each offsite facility associated with the nonprofit hospital, for the previous calendar year in a form and manner prescribed by the cabinet:
- (a) Delineated by form of insurance or third-party payor type, including but not limited to Medicare, Medicaid, private insurance, self-pay, and uninsured:
1. The aggregate acquisition cost for all 340B drugs dispensed by the nonprofit hospital, an associated facility, or contract pharmacy;
 2. The aggregate payments received from insurers or third-party payors for all 340B drugs dispensed by the nonprofit hospital, an associated facility, or contract pharmacy;
 3. The total number of prescriptions for 340B drugs written by the hospital or its staff and the percentage of all prescriptions written by the hospital or its staff

that were filled with 340B drugs;

4. The percentage of low-income patients served on the basis of a sliding fee scale for 340B drugs at the point of sale, dispensing, or administration;

(b) The total operating cost of the nonprofit hospital, including an itemized cost report for the following:

1. Implementing direct pass through of 340B profits to patients in the form of lower cost sharing for 340B drugs at the point of sale, dispensing, or administration;

2. Implementing a sliding fee scale for 340B drugs at the point of sale, dispensing, or administration for low-income patients; and

3. Charity care;

(c) Total payments made to:

1. Contract pharmacies for 340B program-related services and other functions;

2. Third-party administrators for managing any aspect of the nonprofit hospital's 340B drug program;

3. Any other party or entity in connection with 340B program-related compliance, legal services, education, or administrative costs; and

(d) Information regarding contract pharmacies including:

1. The total number of contract pharmacies;

2. The number of contract pharmacies located outside the Commonwealth of Kentucky and the states in which those pharmacies are located;

3. The total number of prescriptions written by the hospital or its staff that were filled at a contract pharmacy and the percentage of all prescriptions written by the hospital or its staff that were filled by contract pharmacies, delineated by in-state and out-of-state contract pharmacies;

4. The total remuneration paid to or retained by contract pharmacies or their affiliates for any 340B program-related services performed on behalf of the nonprofit hospital; and
 5. The percentage change in total remuneration reported under subparagraph 4. of this paragraph as compared to the previous calendar year.
- (3) An officer of the nonprofit hospital shall certify that the report submitted pursuant to this section is complete and accurate."