

108TH CONGRESS
1ST SESSION

S. 1195

To amend title XIX of the Social Security Act to clarify that inpatient drug prices charged to certain public hospitals are included in the best price exemptions for the medicaid drug rebate program.

IN THE SENATE OF THE UNITED STATES

JUNE 5, 2003

Mr. KYL (for himself, Mr. BINGAMAN, Mr. ROCKEFELLER, Mr. MCCAIN, Mr. FRIST, Mr. ALEXANDER, Mrs. LINCOLN, Mr. BUNNING, Mr. SMITH, Mr. GRAHAM of Florida, Mr. SANTORUM, Mr. KERRY, Mr. KENNEDY, and Mr. HATCH) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title XIX of the Social Security Act to clarify that inpatient drug prices charged to certain public hospitals are included in the best price exemptions for the medicaid drug rebate program.

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 “Safety Net Hospital
5 Pharmacy Access Act of 2003”.

1 **SEC. 2. CLARIFICATION OF INCLUSION OF INPATIENT**
2 **DRUG PRICES CHARGED TO CERTAIN PUBLIC**
3 **HOSPITALS IN THE BEST PRICE EXEMPTIONS**
4 **FOR THE MEDICAID DRUG REBATE PRO-**
5 **GRAM.**

6 (a) **IN GENERAL.**—Section 1927(c)(1)(C)(i)(I) of the
7 Social Security Act (42 U.S.C. 1396r–8(c)(1)(C)(i)(I)) is
8 amended by inserting before the semicolon the following:
9 “(including inpatient prices charged to hospitals described
10 in section 340B(a)(4)(L) of the Public Health Service
11 Act)”.

12 (b) **ANTI-DIVERSION PROTECTION.**—Section
13 1927(c)(1)(C) of the Social Security Act (42 U.S.C.
14 1396r–8(c)(1)(C)) is amended by adding at the end the
15 following:

16 “(iii) **APPLICATION OF AUDITING AND**
17 **RECORDKEEPING REQUIREMENTS.**—With
18 respect to a covered entity described in
19 section 340B(a)(4)(L) of the Public Health
20 Service Act, any drug purchased for inpa-
21 tient use shall be subject to the auditing
22 and recordkeeping requirements described
23 in section 340B(a)(5)(C) of the Public
24 Health Service Act.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section take effect on October 1, 2003.

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