January 30, 2025

SENATE BILL No. 118

DIGEST OF SB 118 (Updated January 29, 2025 12:12 pm - DI 104)

Citations Affected: IC 16-18; IC 16-40; IC 27-1.

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 (state department). Requires the state department to submit a report of the aggregated data to the legislative council and post the report on the state department's website.

Effective: July 1, 2025.

Charbonneau

January 8, 2025, read first time and referred to Committee on Health and Provider Services.
January 29, 2025, amended, reported favorably — Do Pass.

January 30, 2025

First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

SENATE BILL No. 118

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

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

SECTION 1. IC 16-18-2-0.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 0.2. "340B covered entity", for purposes of IC 16-40-6, has the meaning set forth in IC 16-40-6-1.**

SECTION 2. IC 16-18-2-0.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 0.3. "340B program", for purposes of IC 16-40-6, has the meaning set forth in IC 16-40-6-2.**

SECTION 3. IC 16-18-2-52.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 52.5. (a) "Charity care", for purposes of IC 16-21-6, ~~and~~ IC 16-21-9, **and IC 16-40-6,** means the unreimbursed cost to a hospital of providing, funding, or otherwise financially supporting health care services:

(1) to a person classified by the hospital as financially indigent or medically indigent on an inpatient or outpatient basis; and

(2) to financially indigent patients through other nonprofit or public outpatient clinics, hospitals, or health care organizations.

(b) As used in this section, "financially indigent" means an uninsured or underinsured person who is accepted for care with no obligation or a discounted obligation to pay for the services rendered based on the hospital's financial criteria and procedure used to determine if a patient is eligible for charity care. The criteria and procedure must include income levels and means testing indexed to the federal poverty guidelines. A hospital may determine that a person is financially or medically indigent under the hospital's eligibility system after health care services are provided.

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

SECTION 4. IC 16-40-6 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]:

Chapter 6. 340B Drug Pricing Program Reporting

Sec. 1. (a) As used in this chapter, "340B covered entity" means an entity authorized to participate in the federal 340B Drug Pricing Program under Section 340B(a)(4) of the federal Public Health Service Act (42 U.S.C. 256b(a)(4)) and that has a service address in Indiana as of January 1 of the reporting year.

(b) The term includes all entity types and grantees, including a facility that is identified as a child site or grantee associated site under the 340B program.

Sec. 2. As used in this chapter, "340B program" refers to the federal 340B Drug Pricing Program established under 42 U.S.C. 256b.

Sec. 3. (a) Before April 1 of each year, a 340B covered entity shall report the following information and transactions to the state department concerning the 340B covered entity's participation in or participation on behalf of the 340B covered entity in the federal 340B program for the previous calendar year:

(1) The:

(A) name;

(B) service address;

(C) 340B program identification number; and

(D) designation of entity type, as specified in 42 U.S.C. 256b(a)(4);

of the 340B covered entity.

(2) The aggregate acquisition cost for all prescription drugs

obtained under the 340B program.

(3) The aggregate payment amount received for all drugs obtained under the 340B program and dispensed or administered to patients.

(4) The aggregate payment made to pharmacies under contract to dispense drugs obtained under the 340B program.

(5) The number of claims for prescription drugs described in subdivision (3).

(6) How the 340B covered entity uses any savings from participating in the 340B program, including the amount of savings used for the provision of charity care, community benefits, or a similar program of providing unreimbursed health care to the indigent.

(7) The aggregate payments made to any other entity that is not a 340B covered entity and is not a contract pharmacy as described in subdivision (4) for managing any aspect of the 340B covered entity's 340B program.

(8) The aggregate payment made for any other administering expense for the 340B program.

(9) The aggregate number of prescription drugs administered or dispensed to patients for which a payment was reported under subdivision (3).

(10) The percentage of the 340B covered entity's claims that were for prescription drugs obtained under the 340B program.

(11) The number and percentage of low income patients of the 340B covered entity that were served by a sliding fee scale for a prescription drug dispensed or administered under the 340B program.

(12) The 340B covered entity's total operating costs.

(13) The 340B covered entity's total costs for charity care.

(14) A copy of the 340B covered entity's financial assistance policy for the reporting year.

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

(1) Commercial.

(2) Medicaid.

(3) Medicare.

(4) Uninsured.

(c) The data submitted in the reports required under subsection (a) is confidential and is not available for public inspection.

(d) Before November 15 of each year, the state department shall

prepare a report that aggregates the data submitted under subsection (a) and:

(1) submit the report to the legislative council in an electronic format under IC 5-14-6; and

(2) post the report on the state department's website.

SECTION 5. IC 27-1-44.5-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 11.5. (a) The following must submit information to the data base concerning prescription drug prices:**

(1) A health payer, using patient data claims.

(2) A pharmacy.

(3) A nonprofit hospital pharmacy.

(4) A 340B covered entity (as defined in IC 16-40-6-1).

COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 118, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 2. IC 16-18-2-0.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 0.3. "340B program", for purposes of IC 16-40-6, has the meaning set forth in IC 16-40-6-2.**".

Page 2, delete lines 11 through 14.

Page 2, line 19, after "1." insert "**(a)**".

Page 2, line 22, delete "and includes any pharmacy" and insert "**and that has a service address in Indiana as of January 1 of the reporting year.**

(b) The term includes all entity types and grantees, including a facility that is identified as a child site or grantee associated site under the 340B program.

Sec. 2. As used in this chapter, "340B program" refers to the federal 340B Drug Pricing Program established under 42 U.S.C. 256b.".

Page 2, delete lines 23 through 24.

Page 2, line 25, delete "2." and insert "**3.**".

Page 2, line 26, after "information" insert "**and transactions**".

Page 2, line 27, after "in" insert "**or participation on behalf of the 340B covered entity in**".

Page 2, line 28, delete "Drug Pricing Program" and insert "**program**".

Page 2, delete line 29, begin a new line block indented and insert:

"**(1) The:**

(A) name;

(B) service address;

(C) 340B program identification number; and

(D) designation of entity type, as specified in 42 U.S.C. 256b(a)(4);

of the 340B covered entity.".

Page 2, line 30, after "for" insert "**all**".

Page 2, line 32, after "for" insert "**all**".

Page 2, line 33, after "dispensed" insert "**or administered**".

Page 2, after line 42, begin a new line block indented and insert:

"**(7) The aggregate payments made to any other entity that is not a 340B covered entity and is not a contract pharmacy as described in subdivision (4) for managing any aspect of the 340B covered entity's 340B program.**

(8) The aggregate payment made for any other administering expense for the 340B program.

(9) The aggregate number of prescription drugs administered or dispensed to patients for which a payment was reported under subdivision (3).

(10) The percentage of the 340B covered entity's claims that were for prescription drugs obtained under the 340B program.

(11) The number and percentage of low income patients of the 340B covered entity that were served by a sliding fee scale for a prescription drug dispensed or administered under the 340B program.

(12) The 340B covered entity's total operating costs.

(13) The 340B covered entity's total costs for charity care.

(14) A copy of the 340B covered entity's financial assistance policy for the reporting year.".

Page 3, between lines 5 and 6, begin a new line block indented and insert:

"**(4) Uninsured.**".

Page 3, after line 13, begin a new paragraph and insert:

"SECTION 5. IC 27-1-44.5-11.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: **Sec. 11.5. (a) The following must submit information to the data base concerning prescription drug prices:**

(1) A health payer, using patient data claims.

(2) A pharmacy.

(3) A nonprofit hospital pharmacy.

(4) A 340B covered entity (as defined in IC 16-40-6-1).".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 118 as introduced.)

CHARBONNEAU, Chairperson

Committee Vote: Yeas 11, Nays 0.