

Stretching Entity Resources for Vulnerable (SERV) Communities Act

Bill Summary Section-by-Section

Title II: Sense of Congress: Purpose of the 340B Program

- This section describes the purpose of the 340B Drug Pricing Program (“340B Program”) as Congress intended:
 - The 340B Program enables eligible hospitals and clinics, called “covered entities”, to stretch scarce resources as far as possible, reaching more patients and providing more comprehensive services than without the program.
 - To do that, the 340B Program provides safety net health care providers a discount from drug manufacturers on covered outpatient drugs. The discounts given to the safety net providers are *not* required to be a direct discount to the patient.

Title III: Codifying Definition of Patient under the 340B Program

- This section codifies the definition of patient under the 340B Program the way it was defined by Health Resources and Services Administration (HRSA) in 1996 and prohibits the Secretary of HHS from further narrowing the definition.

Title IV: Non-Discrimination with Respect to Covered Entities

- This section disallows public and private payers from discriminating against covered entities that participate in the 340B program with respect to level or amount of reimbursement.

Title V: Program Integrity

- This section recognizes that covered entities are subject to periodic audits through the 340B Program, but that drug manufacturers have not been subject to the same scrutiny.
- Due to this disparity, this section requires the Secretary of HHS to seek more parity between covered entity and manufacturer audits.
- This section would also require that HRSA publish the ceiling price website, originally mandated under the Affordable Care Act, displaying manufacturer ceiling drug prices for covered outpatient drugs.
- This section would also require that HRSA implement the Civil Monetary Penalties (CMPs) rule for manufacturer noncompliance with the program.
- This section would also require that in the case that the manufacturer ceiling price calculation results in an amount less than 1 penny, the ceiling price will be 1 penny.

Title VI: Expanding the 340B Program to Serve Additional Underserved Populations

- This section extends 340B program eligibility to SAMHSA grantees providing behavioral health and substance use disorder services.

Title VII: Preventing Medicare Cuts for 340B Hospitals

- This section would reverse the cut in Medicare reimbursement to 340B hospitals for their purchase of Part B drugs set forth in the Medicare Hospital Outpatient Prospective Payment System (OPPS) rule published in November 2017 and implemented in January 2018.