

HOUSE COMMITTEE OF REFERENCE REPORT

	May 3, 2025
Chair of Committee	Date

Committee on Health & Human Services.

After consideration on the merits, the Committee recommends the following:

SB25-124 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend reengrossed bill, page 2, strike lines 9 through 24.
- 2 Page 3, strike lines 1 through 4.
- 3 Renumber succeeding C.R.S. sections accordingly.
- 4 Page 3, strike lines 7 through 15 and substitute:
  - 5 (1) "340B DRUG" MEANS "MEANS A DRUG THAT:
  - 6 (a) IS A COVERED OUTPATIENT DRUG WITHIN THE MEANING SET
  - 7 FORTH IN 42 U.S.C. SEC. 256B;
  - 8 (b) HAS BEEN SUBJECT TO ANY OFFER FOR REDUCED PRICES BY A
  - 9 MANUFACTURER PURSUANT TO 42 U.S.C. SEC. 256b (a)(1); AND
  - 10 (c) PURCHASED BY A 340B COVERED ENTITY, AS DEFINED IN 340B
  - 11 (a)(4) OF THE FEDERAL "PUBLIC HEALTH SERVICE ACT", 42 U.S.C. SEC.
  - 12 256b (a)(4). AS USED IN THIS SUBSECTION (2)(c), A DRUG IS CONSIDERED
  - 13 "PURCHASED" IF IT WOULD HAVE BEEN PURCHASED BUT FOR THE
  - 14 RESTRICTION OR LIMITATION DESCRIBED IN SECTION 6-29-105.
  - 15 (2) "340B NET REVENUE" MEANS THE DIFFERENCE BETWEEN THE
  - 16 AGGREGATED MARKET RATE COSTS AND THE AGGREGATED ACQUISITION
  - 17 COSTS FOR 340B DRUGS."
- 18 Page 4, line 7, before "DENVER" insert "AN INDEPENDENT NONPROFIT
- 19 HOSPITAL WITH FEWER THAN FIFTY LICENSED BEDS,".
- 20 Page 4, line 13, strike "**profits.**" and substitute "**net revenue.**".
- 21 Page 4, line 14, strike "PROFITS" and substitute "NET REVENUE".

- 1 Page 4, strike line 16.
- 2 Page 4, line 17, strike "COMPENSATION" and substitute  
3 "(a) COMPENSATION".
- 4 Page 5, line 2, strike the second "AND".
- 5 Page 5, line 3, strike "EXPENSES." and substitute "EXPENSES; AND".
- 6 Page 5, after line 3, insert:
- 7 "(g) SALARIES FOR THE NONPROFIT HOSPITAL'S CHIEF EXECUTIVE  
8 OFFICER, CHIEF FINANCIAL OFFICER, CHIEF ADMINISTRATIVE OFFICER,  
9 CHIEF OPERATIONS OFFICER, OR ANY OTHER SENIOR EXECUTIVE OFFICER  
10 AT THE VICE PRESIDENT LEVEL OR ABOVE.
- 11 (2) (a) A NONPROFIT HOSPITAL THAT IS A REPORTING HOSPITAL, AS  
12 DEFINED IN SECTION 25.5-1-701, MUST SPEND AT LEAST EIGHTY PERCENT  
13 OF 340B NET REVENUE ON DIRECT PATIENT SERVICES OR CAPITAL  
14 IMPROVEMENTS THAT MAINTAIN OR INCREASE ACCESS TO PATIENT CARE  
15 FOR LOW-INCOME POPULATIONS.
- 16 (b) FOR PURPOSES OF SUBSECTION (2)(a) OF THIS SECTION, DIRECT  
17 PATIENT SERVICES INCLUDES:
- 18 (I) CHARITY CARE;
- 19 (II) THE DIFFERENCE BETWEEN MEDICARE AND MEDICAID  
20 PAYMENTS AND THE COST OF CARE;
- 21 (III) FINANCIAL SUPPORT PROVIDED TO A FEDERALLY QUALIFIED  
22 HEALTH CENTER, A CRITICAL ACCESS HOSPITAL AS DESCRIBED IN 42 U.S.C.  
23 SEC. 256b (a)(4)(N), OR OTHER 340B COVERED ENTITY, AS DEFINED IN  
24 340B (a)(4) OF THE FEDERAL "PUBLIC HEALTH SERVICE ACT", 42 U.S.C.  
25 SEC. 256b (a)(4). THAT IS NOT A HOSPITAL, FOR THE PURPOSE OF  
26 INCREASING ACCESS TO CARE FOR LOW-INCOME PATIENTS; AND
- 27 (IV) OTHER HEALTH-CARE PRODUCTS AND SERVICES PROVIDED  
28 FOR LOW-INCOME PATIENTS THAT ARE OTHERWISE NOT REIMBURSED OR  
29 REIMBURSED AT BELOW COST."
- 30 Page 5, strike lines 4 through 27.
- 31 Page 6, strike lines 1 through 17 and substitute:
- 32 **"25.5-2.5-304. Hospital transparency reporting. (1) A**  
33 **NONPROFIT HOSPITAL THAT IS A REPORTING HOSPITAL, AS DEFINED IN**  
34 **SECTION 25.5-1-701, SHALL INCLUDE THE FOLLOWING INFORMATION IN**

1 THE ANNUAL REPORT SUBMITTED PURSUANT TO SECTION 25.5-1-703(3):  
2 (a) THE AGGREGATE ACQUISITION PRICE FOR PRESCRIPTION DRUGS  
3 OBTAINED UNDER THE 340B PROGRAM;  
4 (b) THE AGGREGATED MARKET PRICE FOR DRUGS OBTAINED UNDER  
5 THE 340B PROGRAM AND DISPENSED OR ADMINISTERED TO PATIENTS;  
6 (c) THE NUMBER OF TRANSACTIONS FOR PRESCRIPTION DRUGS  
7 DESCRIBED IN SUBSECTION (1)(b) OF THIS SECTION;  
8 (d) THE SUM OF THE AGGREGATED PAYMENTS MADE TO:  
9 (I) A CONTRACT PHARMACY TO DISPENSE DRUGS OBTAINED UNDER  
10 THE 340B PROGRAM;  
11 (II) ANY OTHER ENTITY, THAT IS NOT A 340B COVERED ENTITY AS  
12 DEFINED 340B (a)(4) OF THE FEDERAL "PUBLIC HEALTH SERVICES ACT",  
13 42 U.S.C. SEC. 256b (a)(4) OR A CONTRACT PHARMACY, FOR MANAGING  
14 ANY ASPECT OF THE COVERED ENTITY'S 340B PROGRAM."

15 Page 6, line 20, strike "WHOLESALE,".

16 Page 6, line 22, strike "WHOLESALE,".

17 Page 6, strike line 27.

18 Page 7, strike lines 1 and 2 and substitute "A 340B COVERED ENTITY, AS  
19 DEFINED IN 42 U.S.C. SEC. 256b (a)(4)."

20 Page 7, strike lines 18 through 27.

21 Page 8, strike lines 1 through 16.

22 Renumber succeeding section accordingly.

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