[DISCUSSION DRAFT]

SEC. ___. INFORMATION REPORTING BY NONPROFIT HOSPITALS.

(a) IN GENERAL.—Section 6033 of the Internal Revenue Code of 1986 is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

"(p) ADDITIONAL PROVISIONS RELATING TO NONPROFIT HOSPITALS.—

"(1) IN GENERAL.—Every organization described in section 501(r)(2) which is required to file a return under subsection (a) for any taxable year shall include on such return the following information:

"(A) The Centers for Medicare & Medicaid Services certification number of the organization and each hospital facility operated by such organization.

"(B) The amount of spending by the organization during the taxable year on—

"(i) community benefits,

"(ii) charity care,

"(iii) advertising,

"(iv) quality improvement, and

"(v) nonclinical programming.

[*"(C) The amount of tax which would be imposed under chapter 1 for the taxable year with respect to the organization if such organization were not exempt from such tax.]

[*"(D) A description of each health service line which is subsidized by the organization, the amount of revenue generated by each such health service line, and the costs of each such health service line, as reported to the Centers for Medicare & Medicaid Services.]

"(E) The 3 highest priority health needs identified in the community health needs assessment described in section 501(r)(3) and the amount of spending during the taxable year on programs designed specifically to address each such need.

"(F) The numbers of financial assistance applications received, granted, and denied during the taxable year pursuant to the financial assistance policy described in section 501(r)(4).

"(G) In the case of an organization which is a covered entity described in section 340B(a)(4) of the Public Health Service Act—

"(i) the total number of individuals who were dispensed or administered covered outpatient drugs during the taxable year that were subject to an agreement under section 340B of such Act, and

"(ii) the aggregate net revenue with respect to such drugs subject to such an agreement dispensed or furnished by such organization during such taxable year, less the aggregate costs incurred by the organization during such taxable year that were necessary for such organization to participate in the program under such section and to comply with such program's requirements (including program-related compliance, legal, educational, and administrative costs, and compensation paid to third-party administrators or contract pharmacies to carry out program-related functions).

Except as otherwise provided by the Secretary, the information described in subparagraphs (B) through (G) shall be provided in the aggregate with respect to the organization and separately

stated with respect to each hospital facility operated by such organization.

"(2) DEFINITIONS.—For purposes of this subsection—

["(A) CHARITY CARE.—TBD]

["(B) ADVERTISING.—TBD]

["(C) QUALITY IMPROVEMENT.—TBD]

["(D) NONCLINICAL PROGRAMMING.—TBD]

["(E) HEALTH SERVICE LINE.—TBD]

"(F) COVERED OUTPATIENT DRUG.—The term 'covered outpatient drug' has the meaning given such term in section 340B(b) of the Public Health Service Act.

"(G) NET REVENUE.—The term 'net revenue' means, with respect to a covered outpatient drug purchased by an organization described in paragraph (1)(G) under an agreement under section 340B of the Public Health Service Act and dispensed or administered to an individual by such organization, the difference between—

"(i) the total amounts of payments received from any payor by the organization for such drug, and

"(ii) the ceiling price (as described in subsection (a)(1) of such section) for such drug (or, if less, the price at which such organization acquired such drug).".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date that is 6 months after the date of the enactment of this Act.