

Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

As Engrossed: H2/1/23 H3/15/23

# A Bill

HOUSE BILL 1311

5 *By: Representative L. Johnson*  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND THE PROHIBITION OF NONPROFIT, TAX  
9 EXEMPT, OR GOVERNMENTALLY-FUNDED HOSPITALS FROM  
10 HOLDING A LICENSED PHARMACY PERMIT FOR THE SALE OF  
11 DRUGS AT RETAIL; AND FOR OTHER PURPOSES.  
12  
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## Subtitle

14 TO AMEND THE PROHIBITION OF NONPROFIT,  
15 TAX EXEMPT, OR GOVERNMENTALLY-FUNDED  
16 HOSPITALS FROM HOLDING A LICENSED  
17 PHARMACY PERMIT FOR THE SALE OF DRUGS AT  
18 RETAIL.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 *SECTION 1. Arkansas Code § 17-92-101, concerning definitions regarding*  
25 *pharmacists and pharmacies, is amended to add an additional subdivision to*  
26 *read as follows:*

27 *(26) "Hospital campus" means the main buildings of the hospital,*  
28 *including areas and structures that are not strictly contiguous to the main*  
29 *building, but excluding parking lots and other parcels dedicated to the*  
30 *public's use.*  
31

32 *SECTION 2. Arkansas Code § 17-92-605, concerning hospital pharmacy*  
33 *licenses and services permitted with a hospital pharmacy license, is amended*  
34 *to add an additional subsection to read as follows:*

35 *(e) Any hospital serving as a covered entity under Section 340B(a)(4)*  
36 *of the Public Health Service Act may offer a written contract to at least one*



1 (1) pharmacy licensed in the State of Arkansas to dispense 340B drugs to  
 2 patients through contract pharmacy services if:

3 (1) The covered entity conducts a business review and patient  
 4 assessment that determines the need for contract pharmacy services;

5 (2) The contract pharmacy that is offered a contract under this  
 6 subsection has the appropriate distribution mechanism to dispense drugs  
 7 through the 340B program on behalf of the covered entity; and

8 (3) Auditable records are maintained to demonstrate compliance  
 9 with 340B program requirements for as long as required by federal and state  
 10 law by the covered entity and any contract pharmacy that accepts the contract  
 11 terms.

12  
 13 SECTION 3. Arkansas Code § 17-92-607 is amended to read as follows:

14 17-92-607. ~~Unlawful for hospital to hold licensed pharmacy permit—~~  
 15 ~~Exceptions~~ Nonprofit hospital holding retail pharmacy license.

16 ~~(a)(1) It shall be unlawful for any nonprofit, tax exempt, or~~  
 17 ~~governmentally funded hospital to acquire direct or indirect interest in or~~  
 18 ~~otherwise hold directly or indirectly a licensed pharmacy permit pursuant to~~  
 19 ~~the provisions of § 17-92-405, for the sale at retail of drugs and medicines~~  
 20 A nonprofit, tax exempt, or governmentally funded hospital may hold a  
 21 pharmacy permit under § 17-92-405 for the sale at retail of drugs and  
 22 medicines if the hospital-operated retail pharmacy is licensed at:

23 (A) One (1) location on a hospital campus of a nonprofit,  
 24 tax exempt, or governmentally funded hospital with fewer than one thousand  
 25 (1,000) employees; or

26 (B) Up to three (3) locations on a hospital campus of a  
 27 nonprofit, tax exempt, or governmentally funded hospital with one thousand  
 28 (1,000) or more employees.

29 (2) A nonprofit, tax exempt, or governmentally funded hospital  
 30 with multiple hospital campuses may apply for pharmacy permits under § 17-92-  
 31 405 for each hospital campus.

32 ~~(b)(1) However, nothing contained in this section shall be construed~~  
 33 ~~to~~ This section does not prohibit any hospital having a direct or indirect  
 34 interest in or otherwise holding either directly or indirectly a permit  
 35 before March 28, 1975, from continuing to have an interest in or holding the  
 36 permit.

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(2) This section does not ~~Nothing contained in this section shall be construed to prohibit any hospital so holding a permit before March 28, 1975, from receiving a renewal of the permit.~~

/s/Ray