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**Thune Introduces the Safety Net Inpatient Drug Affordability Act**  
*Legislation would reduce cost of drugs for America's health care providers*

**WASHINGTON, DC**—Today Sen. John Thune (R-SD), along with Sen. Jeff Bingham (D-NM), introduced the Safety Net Inpatient Drug Affordability Act. This legislation provides relief on the cost of drugs purchased by America's health care providers.

“High prescription drug costs are not only a problem for American consumers, they are becoming more and more burdensome for America's health care providers as well,” Thune said. “The rural hospitals in South Dakota serve as a lifeline to thousands of constituents living in medically underserved areas. They cannot afford to have the cost of their inpatient and outpatient drugs rising faster than the rate of inflation.

“The Safety Net Inpatient Drug Affordability Act is common-sense legislation that reduces the cost of drugs for health care providers serving society's most vulnerable citizens. For qualified hospitals, this bill extends discounted drug prices, currently only available for outpatient drugs, to inpatient drug purchases. This saves hospitals money on the cost of drugs, and it also relieves them from the burden of carrying two different inventories for inpatient and outpatient drugs.

“Most importantly, by lowering the cost of care in these settings, the Safety Net Inpatient Drug Affordability Act effectively lowers the cost of health care for all American taxpayers.”

Background on the Safety Net Inpatient Drug Affordability Act:

- In 1992, Congress created a program to lower the cost of drugs purchased by a limited number of entities serving a high number of low-income and uninsured individuals.

- Under this program, pharmaceutical manufacturers are required to provide eligible group discounts on outpatient drugs as part of the manufacturers' Medicaid participation agreement.
- The Safety Net Inpatient Drug Affordability Act extends the discounted drug prices to inpatient drug purchases of hospitals serving a large number of Medicaid patients as well as critical access hospitals.
- Critical access hospitals are a vital part of the rural health care delivery system. They provide emergency, outpatient, and limited inpatient care to individuals in remote rural areas.
  - Out of the 61 hospitals in South Dakota, 37 are critical access hospitals.
- This legislation also generates savings for the Medicaid program by requiring hospitals that participate in the program to rebate Medicaid a percentage of their savings on inpatient drugs administered to Medicaid patients.

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