

# SB0069S02 compared with SB0069S01

~~{Omitted text}~~ shows text that was in SB0069S01 but was omitted in SB0069S02

inserted text shows text that was not in SB0069S01 but was inserted into SB0069S02

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## Medication Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Evan J. Vickers

House Sponsor:

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### 3 LONG TITLE

#### 4 General Description:

5 This bill addresses ~~{interference of pharmacy}~~ participation in a federal drug discount program.

#### 6 Highlighted Provisions:

7 This bill:

9 ▶ defines terms; ~~{and}~~

10 ▶ prohibits a pharmaceutical manufacturer from restricting, prohibiting, or otherwise interfering  
with a ~~{pharmacy's}~~ 340B entity's ability to ~~{acquire or dispense certain drugs under a federal discount  
program.}~~ :

11 • acquire a 340B drug; or

12 • participate in the 340B drug discount program;

13 ▶ permits the Public Employees' Benefit and Insurance Program to adjust its business  
practices to mitigate any resulting financial impacts; and

15 ▶ requires the commissioner of insurance to designate a third party entity to:

16 • receive certain deidentified claim information;

17 • confirm whether a 340B entity participates in the drug discount program; and

SB0069S01

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- report the claim information to a pharmaceutical manufacturer.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

None

### ENACTS:

**31A-46-311** , Utah Code Annotated 1953 , Utah Code Annotated 1953

**31A-46-312 , Utah Code Annotated 1953 , Utah Code Annotated 1953**

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section 1 is enacted to read:

**31A-46-311. {~~Protection of pharmacy discount~~} Prohibited actions with respect to the 340B drug {~~market~~} discount program.**

~~{(1) {As used in this section:}}}~~

~~{(a) {"340B drug" means a drug that a 340B entity may purchase at a reduced price pursuant to the 340B drug discount program.}}~~

~~{(b) {"340B drug discount program" means the federal program limiting drug prices for covered entities, as described in 42 U.S.C. Sec. 256b et seq.}}~~

~~{(c) {"340B entity" means an entity authorized to participate in the 340B drug discount program.}}~~

~~{(d) (1) {"Manufacturer" As used in this section, "manufacturer" means a {drug} pharmaceutical manufacturer, including an agent or affiliate of a pharmaceutical manufacturer {authorized to participate in the 340B drug discount program}.~~

~~{(e) {"Pharmaceutical entity" means:}}~~

~~{(i) {a 340B entity:}}~~

~~{(ii) (2) {a} A manufacturer{~~or~~} may not:~~

~~{(iii) {an agent or affiliate of a 340B entity or manufacturer.}}~~

~~{(2) (a) {~~A pharmaceutical entity may not~~} directly or indirectly restrict or prohibit:~~

~~{(a) (i) a pharmacy from contracting with a 340B entity {to dispense drugs under the 340B drug discount program}, including by denying the pharmacy access to a drug that is manufactured by the {pharmaceutical entity} manufacturer;~~

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- {(b)} (ii) a 340B entity from contracting with a pharmacy {to dispense drugs under the 340B drug discount program} , including by denying the 340B entity access to a drug that is manufactured by the {pharmaceutical entity} manufacturer:
- 43 {(e)} (iii) the acquisition, dispensing, or delivery of a 340B drug to any location authorized by a 340B entity to receive the drug, unless prohibited by federal law; or
- 45 {(d)} (iv) a 340B entity from receiving 340B drug discount program pricing for a 340B drug {in accordance with the 340B drug discount program} , including by imposing a time limitation on a 340B entity to replenish or submit a claim for a 340B drug{:} :
- 48 {(3)} (b) {A pharmaceutical entity may not} directly or indirectly:
- 49 {(a)} (i) require a 340B entity to purchase a 340B drug from a supplier if the {pharmaceutical entity} manufacturer would otherwise permit the 340B entity to purchase a drug that is not a 340B drug from the supplier;or
- 52 {(b)} (ii) require a 340B entity to submit any claim data, utilization data, or information about a 340B entity's contracts with a third-party as a condition for allowing the acquisition of a 340B drug by, or delivery of a 340B drug to, a 340B entity, unless the {sharing of the} data or information sharing is required {under} by federal law; or
- 56 (c) {otherwise} interfere with:
- 57 (i) a contract between a pharmacy and a 340B entity; or
- 58 (ii) the ability of a pharmacy and a 340B entity to enter into a contract {to dispense drugs under the federal 340B drug discount program} .
- 55 (3) The Public Employees' Benefit and Insurance Program created in Section 49-20-103 may adjust the program's business practices to mitigate any financial impacts resulting from this section.
- 60 (4) Nothing in this section is to be construed to conflict with federal law.
- 59 Section 2. Section 2 is enacted to read:
- 60 **31A-46-312. Designated entity -- Claim information sharing and use -- 340B entity public reporting.**
- 62 (1) As used in this section:
- 63 (a) "Board of pharmacy" means the Utah State Board of Pharmacy created in Section 58-17B-201.
- 65 (b) "Claim information" means information related to a claim for a 340B drug that is:
- 66 (i) dispensed by a contract pharmacy; and
- 67 (ii) manufactured by a single manufacturer.

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- 68 (c) "Contract pharmacy" means a pharmacy contracting with an entity participating in the 340B drug  
discount program to dispense drugs purchased through the 340B drug discount program.
- 71 (d) "Designated entity" means a third party entity that is designated as described in Subsection (2).
- 73 (e) "Participating 340B entity" means a 340B entity that is a hospital described in 42 U.S.C. Sec.  
256b(a)(4)(L).
- 75 (2)
- (a) The commissioner, in collaboration with the board of pharmacy, shall designate one third party  
entity to receive claim information as described in Subsection (3).
- 77 (b) In making the designation described in Subsection (2)(a), the commissioner shall ensure that the  
third party entity:
- 79 (i) is capable of carrying out the requirements of this section;
- 80 (ii)
- (A) is not owned or controlled by a pharmaceutical manufacturer; and
- 81 (B) does not otherwise have a contractual or other relationship with a pharmaceutical manufacturer that  
would create a conflict of interest; and
- 83 (iii) in carrying out the provisions of this section, will use:
- 84 (A) technology that complies with privacy and security requirements under state and federal law; and
- 86 (B) reasonable and necessary terms.
- 87 (c) If the commissioner is unable to designate a third party entity that meets the requirements of  
Subsection (2)(b), a participating 340B entity is not required to post as described in Subsection (6).
- 90 (3) A participating 340B entity shall:
- 91 (a) provide to the designated entity the following claim information:
- 92 (i) prescription number;
- 93 (ii) prescribed date;
- 94 (iii) fill date;
- 95 (iv) national drug code;
- 96 (v) quantity;
- 97 (vi) pharmacy identification; and
- 98 (vii) 340B covered entity identification;
- 99 (b) ensure the claim information provided is deidentified in accordance with federal law; and
- 101 (c) provide the claim information in accordance with the rules described in Subsection (7).

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- 103 (4) Upon request, the designated entity:
- 104 (a) shall inform a pharmaceutical manufacturer whether a 340B entity is a participating 340B entity that  
provides claim information for any 340B drug; and
- 106 (b) may provide to a pharmaceutical manufacturer claim information for a 340B drug manufactured by  
the pharmaceutical manufacturer that the designated entity received under Subsection (3).
- 109 (5)
- (a) The designated entity or a pharmaceutical manufacturer may only use claim information received  
under this section to identify a rebate for an insurer or a third party administrator that is ineligible  
for payment under the pharmaceutical manufacturers policy.
- 113 (b) The designated entity or a pharmaceutical manufacturer may not use claim information received  
under this section to:
- 115 (i) establish restrictions or limitations on a participating 340B entity's ability to purchase a 340B drug,  
including by establishing:
- 117 (A) allocations on purchasing based on the number of claims for which the participating 340B entity  
provides claim information; or
- 119 (B) time limits for a participating 340B entity to replenish or replace inventory of a 340B drug;
- 121 (ii) recoup from a participating 340B entity a discount for a 340B drug;
- 122 (iii) discriminate against, lower the reimbursement for, or impose any separate condition on a  
participating 340B entity; or
- 124 (iv) take any other action that is not expressly authorized under this part.
- 125 (6) A participating 340B entity shall post on the participating 340B entity's publicly available website:
- 127 (a) the name of the participating 340B entity;
- 128 (b) a copy of the participating 340B entity's annual 340B program recertification;
- 129 (c) if the participating 340B entity is required to conduct a community health needs assessment under  
Section 501(r)(3)(A), Internal Revenue Code, a copy of the participating 340B entity's community  
health needs assessment;
- 132 (d) a statement that the participating 340B entity is in compliance with the 340B drug discount  
program; and
- 134 (e) a description of the impact of the 340B drug discount program on the patients and community  
served by the participating 340B entity.
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(7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commissioner, in collaboration with the board of pharmacy, shall make rules that establish the frequency in which a participating 340B entity shall provide claim information to the designated entity.

140       Section 3. **Effective date.**

This bill takes effect on May 7, 2025.

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