{Omitted text} shows text that was in SB0069S03 but was omitted in SB0069S04 inserted text shows text that was not in SB0069S03 but was inserted into SB0069S04

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Medication Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Evan J. Vickers

House Sponsor:

3	LONG TITLE
4	General Description:

5 This bill addresses participation in a federal drug discount program.

6 Highlighted Provisions:

7 This bill:

- 8 defines terms;
- prohibits a pharmaceutical manufacturer from restricting, prohibiting, or otherwise interfering with a 340B entity's ability to:
- 11 acquire a 340B drug; or
 - participate in the 340B drug discount program;
- permits the Public Employees' Benefit and Insurance Program {(program)-} to adjust {the program's-} its business practices to mitigate any resulting financial impacts;
- 15 permits a manufacturer to request certain claim information from 340B entities; and
- 16 requires 340B entities to submit information to the Insurance Department.
- 17 Money Appropriated in this Bill:

18 None

19	Other Special Clauses:
20	None
22	ENACTS:
23	31A-46-311, Utah Code Annotated 1953, Utah Code Annotated 1953
24	31A-46-312, Utah Code Annotated 1953, Utah Code Annotated 1953
25	
26	Be it enacted by the Legislature of the state of Utah:
27	Section 1. Section 1 is enacted to read:
28	<u>31A-46-311. {Protection of pharmacy discount }</u> Prohibited actions with respect to the 340B
	drug { market } <u>discount program</u> .
29	(1) As used in this section, "manufacturer" means a pharmaceutical manufacturer, including an agent or
	affiliate of a pharmaceutical manufacturer.
31	(2) <u>A manufacturer may not:</u>
32	(a) directly or indirectly {-} restrict or prohibit:
33	(i) a pharmacy from contracting with a 340B entity, including by denying the pharmacy access to a drug
	that is manufactured by the manufacturer;
35	(ii) a 340B entity from contracting with a pharmacy, including by denying the 340B entity access to a
	drug that is manufactured by the manufacturer;
37	(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
39	(iv) a 340B entity from receiving 340B drug discount program pricing for a 340B drug, including by
	imposing a time limitation on a 340B entity to replenish or submit a claim for a 340B drug;or
42	{(b) {directly or indirectly:} }
43	{(i) {require a 340B entity to purchase a 340B drug from a supplier if the manufacturer would
	otherwise permit the 340B entity to purchase a drug that is not a 340B drug from the supplier; or } }
46	{(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 data or information sharing is required by
	federal law; or }-}
50	{(e)} (b) interfere with:

51 (i) a contract between a pharmacy and a 340B entity; or

52	(ii) the ability of a pharmacy and a 340B entity to enter into a contract.
53	(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.
56	(4) Nothing in this section $\{\frac{is-to}{s}\}$ shall be construed to conflict with federal law.
49	Section 2. Section 2 is enacted to read:
50	<u>31A-46-312.</u> Claim information sharing and use 340B entity public reporting.
59	(1) As used in this section:
60	(a) "Bad debt" means the {cost incurred } amount of money charged by a {participating } 340B entity
	for providing health care services to a patient for which the {participating-} 340B entity does not
	receive payment.
63	(b) "Claim information" means information that is:
64	(i) described in Subsection (2); and
65	(ii) related to a claim for a 340B drug that is:
66	(A) dispensed by a contract pharmacy; and
67	(B) manufactured by a single pharmaceutical manufacturer.
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) {Financial } "Financial assistance" means the cost incurred by a {participating } 340B entity for
	providing health care services to a patient at a reduced cost or no cost.
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	{(f)} (e) {Uncompensated } "Uncompensated care" means the sum of a {participating } 340B entity's
	bad debt and financial assistance.
77	(2) <u>A pharmaceutical manufacturer may request from a {participating } 340B entity the following claim</u>
	information:
79	(a) prescription number;
80	(b) prescribed date;
81	(c) fill date;
82	(d) national drug code;
83	(e) quantity:
84	(f) pharmacy identification; {and}

- 74 (g) prescriber identification number; and
- 85 {(g)} (h) <u>340B covered entity identification</u>.
- 86 (3) A {participating } 340B entity that receives a request from a pharmaceutical manufacturer as described in Subsection (2) shall provide to the pharmaceutical manufacturer the requested claim information.
- 89 {(4) }
 - (a) (4) 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-} manufacturer's policy.
- 92 {(b) {A pharmaceutical manufacturer may not use claim information received under this section to:} }
- 94 {(i) {establish restrictions or limitations on a participating 340B entity's ability to purchase a 340B drug, including by establishing:}}
- 96 {(A) {allocations on purchasing based on the number of claims for which the participating 340B entity provides claim information; or} }
- 98 {(B) {time limits for a participating 340B entity to replenish or replace inventory of a 340B drug;} }
- 100 {(ii) {recoup from a participating 340B entity a discount for a 340B drug;} }
- 101 {(iii) {discriminate against, lower the reimbursement for, or impose any separate condition on a participating 340B entity; or}
- 103 {(iv) {take any other action that is not expressly authorized under this part.} }
- 104 <u>(5)</u>
 - (a) Beginning on July 1, 2026, {on or before July 1 each year, } a {participating } 340B entity shall annually provide , on or before the first day of the month after the 340B entity files the 340B entity's Medicare cost report, the following to the department in a form and manner determined by the department:
- 107 (i) the name of the {participating } 340B entity;
- 108 (ii) a copy of the {participating-} 340B entity's annual 340B program recertification;
- 109 (iii) 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 most recent community health needs assessment;
- 112 (iv) a statement that the {participating-} 340B entity is in compliance with the 340B drug discount program;

114	(v) the total number of contract pharmacies with which the {participating } 340B entity contracts;
116	(vi) the total number of contract pharmacies located out-of-state and the states in which out-of-state
	contract pharmaciesare located; and
118	(vii) for the prior year:
119	(A) a description of the impact of the 340B drug discount program on the patients and community
	served by the {participating-} 340B entity;
121	(B) the total operating costs of the {participating-} 340B entity;
122	(C) the total uncompensated care provided by the {participating } 340B entity; and
123	(D) the total number of prescriptions and the percentage of the {participating} 340B entity's
	prescriptions filled at contract pharmacies.
125	(b) An officer of the {participating} 340B entity shall certify the completeness and accuracy of the
	information submitted in accordance with Subsection (5)(a).
127	<u>(c)</u>
	(i) The department shall use the information described in Subsection (5)(a) to prepare a report detailing
	aggregate information received from a {participating } 340B entity.
130	(ii) The department shall submit the report described in Subsection (5)(c)(i) to the Health and Human
	Services Interim Committee on or before {October } July 1, {2026} 2027.
132	(iii) The department shall post the report described in Subsection (5)(c)(ii) on a publicly accessible
	website.
134	(6) Nothing in this section shall be construed to conflict with federal law.
112	Section 3. Effective date.
	This bill takes effect on May 7, 2025.
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