

Evan J. Vickers proposes the following substitute bill:

Medication Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Evan J. Vickers

House Sponsor: Steve Eliason

LONG TITLE

General Description:

This bill addresses participation in a federal drug discount program.

Highlighted Provisions:

This bill:

- defines terms;
- prohibits a pharmaceutical manufacturer from restricting, prohibiting, or otherwise

interfering with a 340B entity's ability to:

- 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 business practices to mitigate any resulting financial impacts;
- permits a manufacturer to request certain claim information from 340B entities; and
- requires 340B entities to submit information to the Insurance Department.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

31A-46-311, Utah Code Annotated 1953

31A-46-312, Utah Code Annotated 1953

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

Section 1. Section **31A-46-311** is enacted to read:

31A-46-311 . Protection of pharmacy discount drug market.

- 29 (1) As used in this section, "manufacturer" means a pharmaceutical manufacturer, including
30 an agent or affiliate of a pharmaceutical manufacturer.
- 31 (2) A manufacturer may not:
- 32 (a) directly or indirectly, restrict or prohibit:
- 33 (i) a pharmacy from contracting with a 340B entity, including by denying the
34 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
36 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
38 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
40 drug, including by imposing a time limitation on a 340B entity to replenish or
41 submit a claim for a 340B drug;
- 42 (b) directly or indirectly:
- 43 (i) require a 340B entity to purchase a 340B drug from a supplier if the manufacturer
44 would otherwise permit the 340B entity to purchase a drug that is not a 340B drug
45 from the supplier; or
- 46 (ii) require a 340B entity to submit any claim data, utilization data, or information
47 about a 340B entity's contracts with a third party as a condition for allowing the
48 acquisition of a 340B drug by, or delivery of a 340B drug to, a 340B entity, unless
49 the data or information sharing is required by federal law; or
- 50 (c) 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
54 may adjust the program's business practices to mitigate any financial impacts resulting
55 from this section.
- 56 (4) Nothing in this section is to be construed to conflict with federal law.
- 57 Section 2. Section **31A-46-312** is enacted to read:
- 58 **31A-46-312 . Claim information sharing and use -- 340B entity public reporting.**
- 59 (1) As used in this section:
- 60 (a) "Bad debt" means the cost incurred by a participating 340B entity for providing
61 health care services to a patient for which the participating 340B entity does not
62 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
69 the 340B drug discount program to dispense drugs purchased through the 340B drug
70 discount program.
- 71 (d) "Financial assistance" means the cost incurred by a participating 340B entity for
72 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
74 U.S.C. Sec. 256b(a)(4)(L).
- 75 (f) Uncompensated care means the sum of a participating 340B entity's bad debt and
76 financial assistance.
- 77 (2) pharmaceutical manufacturer may request from a participating 340B entity the
78 following claim 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
85 (g) 340B covered entity identification.
- 86 (3) A participating 340B entity that receives a request from a pharmaceutical manufacturer
87 as described in Subsection (2) shall provide to the pharmaceutical manufacturer the
88 requested claim information.
- 89 (4)(a) A pharmaceutical manufacturer may only use claim information received under
90 this section to identify a rebate for an insurer or a third party administrator that is
91 ineligible for payment under the pharmaceutical manufacturers policy.
- 92 (b) A pharmaceutical manufacturer may not use claim information received under this
93 section to:
94 (i) establish restrictions or limitations on a participating 340B entity's ability to
95 purchase a 340B drug, including by establishing:
96 (A) allocations on purchasing based on the number of claims for which the

- 97 participating 340B entity provides claim information; or
- 98 (B) time limits for a participating 340B entity to replenish or replace inventory of
- 99 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
- 102 condition on a participating 340B entity; or
- 103 (iv) take any other action that is not expressly authorized under this part.
- 104 (5)(a) Beginning on July 1, 2026, on or before July 1 each year, a participating 340B
- 105 entity shall provide the following to the department in a form and manner determined
- 106 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
- 110 assessment under Section 501(r)(3)(A), Internal Revenue Code, a copy of the
- 111 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
- 113 drug discount program;
- 114 (v) the total number of contract pharmacies with which the participating 340B entity
- 115 contracts;
- 116 (vi) the total number of contract pharmacies located out-of-state and the states in
- 117 which out-of-state contract pharmacies; and
- 118 (vii) for the prior year:
- 119 (A) a description of the impact of the 340B drug discount program on the patients
- 120 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
- 124 entity's prescriptions filled at contract pharmacies.
- 125 (b) An officer of the participating 340B entity shall certify the completeness and
- 126 accuracy of the information submitted in accordance with Subsection (5)(a).
- 127 (c)(i) The department shall use the information described in Subsection (5)(a) to
- 128 prepare a report detailing aggregate information received from a participating
- 129 340B entity.
- 130 (ii) The department shall submit the report described in Subsection (5)(c)(i) to the

131 Health and Human Services Interim Committee on or before October 1, 2026.

132 (iii) The department shall post the report described in Subsection (5)(c)(ii) on a

133 publicly accessible website.

134 (6) Nothing in this section shall be construed to conflict with federal law.

135 **Section 3. Effective Date.**

136 This bill takes effect on May 7, 2025.