Evan J. Vickers proposes the following substitute bill:

Medication Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Evan J. Vickers

House Sponsor:

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 to adjust its 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 . Prohibited actions with respect to the 340B drug discount program.

(1) As used in this section, "manufacturer" means a pharmaceutical manufacturer, including an agent or affiliate of a pharmaceutical manufacturer.

(2) A manufacturer may not:

(a) directly or indirectly restrict or prohibit:

(i) a pharmacy from contracting with a 340B entity, including by denying the pharmacy access to a drug that is manufactured by the manufacturer;

(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;

(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

(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

(b) interfere with:

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

(ii) the ability of a pharmacy and a 340B entity to enter into a contract.

(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.

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

Section 2. Section **31A-46-312** is enacted to read:

31A-46-312 . Claim information sharing and use -- 340B entity public reporting.

(1) As used in this section:

(a) "Bad debt" means the amount of money charged by a 340B entity for providing health care services to a patient for which the 340B entity does not receive payment.

(b) "Claim information" means information that is:

(i) described in Subsection (2); and

(ii) related to a claim for a 340B drug that is:

(A) dispensed by a contract pharmacy; and

(B) manufactured by a single pharmaceutical manufacturer.

(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.

(d) "Financial assistance" means the cost incurred by a 340B entity for providing health

care services to a patient at a reduced cost or no cost.

(e) "Uncompensated care" means the sum of a 340B entity's bad debt and financial assistance.

(2) A pharmaceutical manufacturer may request from a 340B entity the following claim information:

(a) prescription number;

(b) prescribed date;

(c) fill date;

(d) national drug code;

(e) quantity;

(f) pharmacy identification;

(g) prescriber identification number; and

(h) 340B covered entity identification.

(3) A 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.

(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 manufacturer's policy.

(5)(a) Beginning on July 1, 2026, a 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:

(i) the name of the 340B entity;

(ii) a copy of the 340B entity's annual 340B program recertification;

(iii) if the 340B entity is required to conduct a community health needs assessment under Section 501(r)(3)(A), Internal Revenue Code, a copy of the 340B entity's most recent community health needs assessment;

(iv) a statement that the 340B entity is in compliance with the 340B drug discount program;

(v) the total number of contract pharmacies with which the 340B entity contracts;

(vi) the total number of contract pharmacies located out-of-state and the states in which out-of-state contract pharmacies are located; and

(vii) for the prior year:

(A) a description of the impact of the 340B drug discount program on the patients and community served by the 340B entity;

(B) the total operating costs of the 340B entity;

(C) the total uncompensated care provided by the 340B entity; and

(D) the total number of prescriptions and the percentage of the 340B entity's prescriptions filled at contract pharmacies.

(b) An officer of the 340B entity shall certify the completeness and accuracy of the information submitted in accordance with Subsection (5)(a).

(c)(i) The department shall use the information described in Subsection (5)(a) to prepare a report detailing aggregate information received from a 340B entity.

(ii) The department shall submit the report described in Subsection (5)(c)(i) to the Health and Human Services Interim Committee on or before July 1, 2027.

(iii) The department shall post the report described in Subsection (5)(c)(ii) on a publicly accessible website.

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

Section 3. **Effective Date.**

This bill takes effect on May 7, 2025.