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**Drug Distribution Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Logan J. Monson**

Senate Sponsor: Evan J. Vickers

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**LONG TITLE**

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**General Description:**

4 This bill amends provisions related to the 340B drug discount program.

**Highlighted Provisions:**

5 This bill:

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- 7 ▶ defines a 340B covered entity and a 340B eligible drug;
  - 8 ▶ clarifies prohibited actions under the 340B drug discount program;
  - 9 ▶ defines terms; and
  - 10 ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

11 None

**Other Special Clauses:**

12 This bill provides a special effective date.

**Utah Code Sections Affected:**

13 AMENDS:

14 **31A-46-311**, as enacted by Laws of Utah 2025, Chapter 514

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*Be it enacted by the Legislature of the state of Utah:*16 Section 1. Section **31A-46-311** is amended to read:**31A-46-311 . Prohibited actions with respect to the 340B drug discount program.**

17 (1) As used in this section[,] :

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- 19 (a) "340B covered entity" means the same as the term "covered entity" is defined in 42  
U.S.C. Sec. 256b(a)(4).
  - 20 (b) "340B eligible drug" means a drug purchased through the 340B drug discount  
program, in accordance with 42 U.S.C. Sec. 256b, by a 340B covered entity.
  - 21 (c) "Contracted pharmacy" means a pharmacy contracting with a 340B covered entity to  
dispense 340B eligible drugs.
  - 22 (d) ["manufacturer"] "Manufacturer" means a pharmaceutical manufacturer, including an

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agent or affiliate of a pharmaceutical manufacturer.

(e) "Pharmacy" means any place where drugs are dispensed.

(2) A manufacturer may not:

(a) directly or indirectly restrict or prohibit:

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

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

(iii) the acquisition, dispensing, or delivery of a 340B eligible drug to any location authorized by a 340B covered entity to receive the drug, unless prohibited by

federal law; or

(iv) a 340B covered entity from receiving [340B drug discount program pricing for] a 340B eligible drug, including by imposing a time limitation on a 340B covered entity to replenish or submit a claim for a 340B eligible drug;

(b) directly or indirectly:

- (i) require a 340B covered entity to purchase a 340B eligible drug from a supplier if the manufacturer would otherwise permit the 340B covered entity to purchase a drug that is not a 340B eligible drug from the supplier; or

(ii) require a 340B covered entity or a contracted pharmacy to submit any claim data, utilization data, or information about a 340B covered entity's contracts with a third-party, unless the data or information sharing is required by federal law, as a condition for allowing:

(A) the acquisition of a 340B eligible drug by[-] a 340B covered entity; or

(B) delivery of a 340B eligible drug to[;] a 340B covered entity[, unless the data or information sharing is required by federal law] or a contracted pharmacy;

(c) interfere with:

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

(ii) the ability of a pharmacy and a 340B covered 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 is to be construed to conflict with federal law.

## Section 2. Effective Date.

This bill takes effect:

- 65       (1) except as provided in Subsection (2), May 6, 2026; or  
66       (2) if approved by two-thirds of all members elected to each house:  
67           (a) upon approval by the governor;  
68           (b) without the governor's signature, the day following the constitutional time limit of  
69            Utah Constitution, Article VII, Section 8; or  
70           (c) in the case of a veto, the date of veto override.