

Drug Distribution Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Logan J. Monson

Senate Sponsor: Evan J. Vickers

LONG TITLE**General Description:**

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

Highlighted Provisions:

This bill:

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

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

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

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

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

31A-46-311 . Prohibited actions with respect to the 340B drug discount program.

(1) As used in this section[;] :

(a) "340B covered entity" means the same as the term "covered entity" is defined in 42 U.S.C. Sec. 256b(a)(4).

(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.

(c) "Contracted pharmacy" means a pharmacy contracting with a 340B covered entity to dispense 340B eligible drugs.

(d) ["manufacturer"] "Manufacturer" means a pharmaceutical manufacturer, including an

- 31 agent or affiliate of a pharmaceutical manufacturer.
- 32 (e) "Pharmacy" means any place where drugs are dispensed.
- 33 (2) A manufacturer may not:
- 34 (a) directly or indirectly restrict or prohibit:
- 35 (i) a pharmacy from contracting with a 340B covered entity, including by denying the
- 36 pharmacy access to a drug that is manufactured by the manufacturer;
- 37 (ii) a 340B covered entity from contracting with a pharmacy, including by denying
- 38 the 340B covered entity access to a drug that is manufactured by the manufacturer;
- 39 (iii) the acquisition, dispensing, or delivery of a 340B eligible drug to any location
- 40 authorized by a 340B covered entity to receive the drug, unless prohibited by
- 41 federal law; or
- 42 (iv) a 340B covered entity from receiving [~~340B drug discount program pricing for~~] a
- 43 340B eligible drug, including by imposing a time limitation on a 340B covered
- 44 entity to replenish or submit a claim for a 340B eligible drug;
- 45 (b) directly or indirectly:
- 46 (i) require a 340B covered entity to purchase a 340B eligible drug from a supplier if
- 47 the manufacturer would otherwise permit the 340B covered entity to purchase a
- 48 drug that is not a 340B eligible drug from the supplier; or
- 49 (ii) require a 340B covered entity or a contracted pharmacy to submit any claim data,
- 50 utilization data, or information about a 340B covered entity's contracts with a
- 51 third-party, unless the data or information sharing is required by federal law, as a
- 52 condition for allowing:
- 53 (A) the acquisition of a 340B eligible drug by[;] a 340B covered entity; or
- 54 (B) delivery of a 340B eligible drug to[;] a 340B covered entity[~~, unless the data~~
- 55 ~~or information sharing is required by federal law~~] or a contracted pharmacy; or
- 56 (c) interfere with:
- 57 (i) a contract between a pharmacy and a 340B covered entity; or
- 58 (ii) the ability of a pharmacy and a 340B covered entity to enter into a contract.
- 59 (3) The Public Employees' Benefit and Insurance Program created in Section 49-20-103
- 60 may adjust the program's business practices to mitigate any financial impacts resulting
- 61 from this section.
- 62 (4) Nothing in this section is to be construed to conflict with federal law.

63 **Section 2. Effective Date.**

64 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.