

HOUSE No. 4490

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, September 18, 2025.

The committee on Financial Services, to whom was referred the petition (accompanied by bill, House, No. 1107) of Daniel Cahill and others relative to insurance coverage for discounted drugs, reports recommending that the accompanying bill (House, No. 4490) ought to pass.

For the committee,

JAMES M. MURPHY.

HOUSE No. 4490

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act prohibiting discrimination against 340b drug discount program participants.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 32A of the General Laws is hereby amended by inserting after
2 Section 34 the following new section:-

3 Section 35

4 (a) DEFINITIONS. For purposes of this section:

5 (1) “340B-covered entity”, has the same meaning as that set forth in section 256b(a)(4) of
6 Title 42 of the United States Code.

7 (2) “Contract pharmacy” means a pharmacy operating under contract with a 340B-
8 covered entity to provide dispensing services to the 340B-covered entity as described in 75 Fed.
9 Reg. 10,272 (Mar. 5, 2010).

10 (3) “Drug coverage” means:

11 (i) An insurance company organized under this Chapter providing reimbursement for
12 covered outpatient drugs, accepting any Medicaid insurance plan of the Commonwealth as
13 defined in G. L. c. 118E or other applicable laws governing Medicaid in the Commonwealth;

14 (ii) Notwithstanding the foregoing, the term “drug coverage” does not include any
15 amounts paid by an individual on his or her own behalf or on behalf of another individual.

16 (b) TERMS OF AGREEMENTS. No drug coverage that reimburses a-340B-covered
17 entity or its contract pharmacy for drugs that are subject to an agreement under section
18 256b(a)(1) of Title 42 of the United States Code:

19 (i) Shall reimburse a covered entity or contract pharmacy for a quantity of a 340B drug in
20 an amount less than such plan, issuer, or manager would pay to any other similarly situated entity
21 or pharmacy that is not a covered entity or a contract pharmacy for such quantity of such drug on
22 the basis that the entity or pharmacy is a covered entity or contract pharmacy or that the entity or
23 pharmacy dispenses 340B drugs.

24 (ii) Shall discriminate against a 340B-covered entity (as defined in subsection (a)(1)) or a
25 contract pharmacy (as defined in subsection (a)(2)) by imposing requirements, exclusions,
26 reimbursement terms, or other conditions on such entity or pharmacy that differ from those
27 applied to entities or pharmacies that are not 340B-covered entities or contract pharmacies on the
28 basis that the entity or pharmacy is a covered entity or contract pharmacy or that the entity or
29 pharmacy dispenses 340B drugs, including by taking any action prohibited under subsection (b).

30 (iii) Shall impose any terms or conditions on 340B-covered entities or contract
31 pharmacies with respect to any of the following that differ from such terms or conditions applied
32 to other similarly situated entities or pharmacies that are not 340B-covered entities or contract

33 pharmacies on the basis that the entity or pharmacy is a 340B-covered entity or contract
34 pharmacy or that the entity or pharmacy dispenses 340B drugs:

35 (A) Fees, chargebacks, clawbacks, adjustments, or other assessments.

36 (B) Professional dispensing fees.

37 (C) Restrictions or requirements regarding participation in standard or preferred
38 pharmacy networks.

39 (D) Requirements relating to the frequency or scope of audits or to inventory
40 management systems using generally accepted accounting principles.

41 (iv) Shall require a claim for a drug to include a modifier to indicate that the drug is a
42 340B drug, or any other method of identifying the claim as 340B, unless the claim is for
43 payment, directly or indirectly, by Medicaid as defined in section 8 of chapter 118E.

44 (c) Patient's Choice. With respect to a patient eligible to receive drugs that are subject to
45 an agreement under section 256b of Title 42 of the United States Code from a 340B-covered
46 entity or its contract pharmacy, no entity that makes payment for such drugs shall discriminate
47 against the 340B-covered entity or its contract pharmacy in a manner that prevents, steers, or
48 otherwise interferes with the patient's choice to receive such drugs from the 340B-covered entity
49 or its contract pharmacy.

50 SECTION 2. Chapter 175 of the General Laws is hereby amended by inserting before
51 section 47CCC the following new section:-

52 Section 47AAA

53 (a) DEFINITIONS. For purposes of this section:

54 (1) “340B drug”, a drug that has been subject to any offer for reduced prices by a
55 manufacturer pursuant to section 256b of Title 42 of the United States Code and is purchased by
56 a 340B grantee as defined in this section.

57 (2) “340B grantee”, has the same meaning as “covered entity” set forth in section
58 256b(a)(4) of Title 42 of the United States Code

59 (3) “Distributor”, a person engaged in the sale, distribution or delivery, at wholesale, of
60 drugs or medicines within the commonwealth, including entities operating outside of the
61 commonwealth that cause deliveries of drugs or medicines to be made within the
62 commonwealth.

63 (4) “Federally qualified health center”, an entity receiving a grant under section 254(b) of
64 Title 42 of the United State Code.

65 (5) “Manufacturer” means a “manufacturer” of covered outpatient drugs as set forth in
66 section 1396r-8(k)(5) of Title 42 of the United States Code that has signed a pharmaceutical
67 pricing agreement pursuant to section 256b(a)(1) of Title 42 of the United States Code.

68 (6) “Pharmacy”, an entity engaged in the drug business, as defined in section 37 of
69 chapter 112, or engaged in the practice of compounding to fulfill a practitioner prescription.

70 (7) “Package”, the smallest individual saleable unit of product for distribution by a
71 manufacturer or repackager that is intended by the manufacturer for ultimate sale to the dispenser
72 of such product.

73 (b) A manufacturer or distributor, agent, or affiliate of such manufacturer or distributor
74 shall not:

75 (i) either directly or indirectly, deny, restrict, prohibit, discriminate against, or otherwise
76 interfere with the acquisition of a 340B drug by, or delivery of a 340B drug to, a pharmacy that
77 is under contract with, or is otherwise authorized by, a 340B grantee to receive 340B drugs on
78 behalf of the 340B grantee unless such receipt is prohibited by the United States Department of
79 Health and Human Services; or

80 (ii) interfere with a contract between a pharmacy and a 340B grantee.

81 (c) A manufacturer or distributor, agent, or affiliate of such manufacturer or distributor
82 shall not, either directly or indirectly, require a 340B grantee, or a pharmacy that is under
83 contract with a 340B grantee or is otherwise authorized by a 340B grantee to receive and
84 dispense 340B drugs on behalf of the 340B grantee, to submit any claims, utilization, purchasing,
85 or other data as a condition for allowing the acquisition of a 340B drug by, or delivery of a 340B
86 drug to, a 340B grantee or a pharmacy that is under contract with a 340B grantee, unless the
87 claims or utilization data sharing is required by the United States Department of Health and
88 Human Services.

89 (d) The commission of any act prohibited under subsection (b) of this section shall
90 constitute an unfair or deceptive practice within the meaning of section 2 of chapter 93A. Each
91 package of 340B drugs subject to a prohibited act under subsection (b) shall constitute a separate
92 violation.

93 (e) The attorney general shall have jurisdiction, consistent with the provisions of chapter
94 93A, to enforce the provisions of this section. The attorney general shall issue regulations to
95 implement this chapter.

96 (f) The board of registration in pharmacy shall promulgate regulations to implement and
97 enforce this section and may investigate any complaint of a violation of this section by an
98 individual or entity licensed by the board and may impose discipline, suspension or revocation of
99 any such license.

100 (g) Nothing in this section shall be construed or applied to be less restrictive than any
101 federal law as to any person or entity regulated by this section or to conflict with: (i) any
102 applicable federal law and related regulations; or (ii) any other general law that is compatible
103 with applicable federal law.

104 (h) Limited distribution of a drug required under section 355-1 of Title 21 of the United
105 States Code shall not be a violation of this section.

106 (i) If any provision or provisions of this section 47AAA is or are declared
107 unconstitutional or inoperative by a final judgement, order or decree of the Supreme Court of the
108 United States or of the Supreme Judicial Court of the commonwealth, the remaining parts of said
109 section shall not be affected thereby.

110 SECTION 3. Chapter 175 of the General Laws, is hereby further amended by inserting
111 after section 47AAA, inserted by SECTION 2, the following new section:-

112 Section 47BBB

113 (a) DEFINITIONS. For purposes of this section:

114 (1) “340B-covered entity”, has the same meaning as that set forth in section 256b(a)(4) of
115 Title 42 of the United States Code.

116 (2) “Contract pharmacy” means a pharmacy operating under contract with a 340B-
117 covered entity to provide dispensing services to the 340B-covered entity as described in 75 Fed.
118 Reg. 10,272 (Mar. 5, 2010).

119 (3) “Drug coverage” means:

120 (i) An insurance company organized under this chapter providing reimbursement for
121 covered outpatient drugs, accepting any Medicaid insurance plan of the Commonwealth as
122 defined in G. L. c. 118E or other applicable laws governing Medicaid in the Commonwealth;

123 (ii) Notwithstanding the foregoing, the term “drug coverage” does not include any
124 amounts paid by an individual on his or her own behalf or on behalf of another individual.

125 (b) TERMS OF AGREEMENTS. No drug coverage that reimburses a 340B-covered
126 entity or its contract pharmacy for drugs that are subject to an agreement under section
127 256b(a)(1) of Title 42 of the United States Code:

128 (i) Shall reimburse a covered entity or contract pharmacy for a quantity of a 340B drug in
129 an amount less than such plan, issuer, or manager would pay to any other similarly situated entity
130 or pharmacy that is not a covered entity or a contract pharmacy for such quantity of such drug on
131 the basis that the entity or pharmacy is a covered entity or contract pharmacy or that the entity or
132 pharmacy dispenses 340B drugs.

133 (ii) Shall discriminate against a 340B-covered entity (as defined in subsection (a)(1)) or a
134 contract pharmacy (as defined in subsection (a)(2)) by imposing requirements, exclusions,

135 reimbursement terms, or other conditions on such entity or pharmacy that differ from those
136 applied to entities or pharmacies that are not 340B-covered entities or contract pharmacies on the
137 basis that the entity or pharmacy is a covered entity or contract pharmacy or that the entity or
138 pharmacy dispenses 340B drugs, including by taking any action prohibited under subsection (b).

139 (iii) Shall impose any terms or conditions on 340B-covered entities or contract
140 pharmacies with respect to any of the following that differ from such terms or conditions applied
141 to other similarly situated entities or pharmacies that are not 340B-covered entities or contract
142 pharmacies on the basis that the entity or pharmacy is a 340B-covered entity or contract
143 pharmacy or that the entity or pharmacy dispenses 340B drugs:

144 (A) Fees, chargebacks, clawbacks, adjustments, or other assessments.

145 (B) Professional dispensing fees.

146 (C) Restrictions or requirements regarding participation in standard or preferred
147 pharmacy networks.

148 (D) Requirements relating to the frequency or scope of audits or to inventory
149 management systems using generally accepted accounting principles.

150 (iv) Shall require a claim for a drug to include a modifier to indicate that the drug is a
151 340B drug, or any other method of identifying the claim as 340B, unless the claim is for
152 payment, directly or indirectly, by Medicaid as defined in section 8 of chapter 118E.

153 (c) Patient's Choice. With respect to a patient eligible to receive drugs that are subject to
154 an agreement under section 256b of Title 42 of the United States Code from a 340B-covered
155 entity or its contract pharmacy, no entity that makes payment for such drugs shall discriminate

156 against the 340B-covered entity or its contract pharmacy in a manner that prevents, steers, or
157 otherwise interferes with the patient’s choice to receive such drugs from the 340B-covered entity
158 or its contract pharmacy.

159 SECTION 4. Chapter 176A of the General Laws is hereby amended by inserting after
160 section 38, the following new section:-

161 Section 39

162 (a) DEFINITIONS. For purposes of this section:

163 (1) “340B-covered entity”, has the same meaning as that set forth in section 256b(a)(4) of
164 Title 42 of the United States Code.

165 (2) “Contract pharmacy” means a pharmacy operating under contract with a 340B-
166 covered entity to provide dispensing services to the 340B-covered entity as described in 75 Fed.
167 Reg. 10,272 (Mar. 5, 2010).

168 (3) “Drug coverage” means:

169 (i) An insurance company organized under this Chapter providing reimbursement for
170 covered outpatient drugs, accepting any Medicaid insurance plan of the Commonwealth as
171 defined in G. L. c. 118E or other applicable laws governing Medicaid in the Commonwealth;

172 (ii) Notwithstanding the foregoing, the term “drug coverage” does not include any
173 amounts paid by an individual on his or her own behalf or on behalf of another individual.

174 (b) TERMS OF AGREEMENTS. No drug coverage that reimburses a-340B-covered
175 entity or its contract pharmacy for drugs that are subject to an agreement under section
176 256b(a)(1) of Title 42 of the United States Code:

177 (i) Shall reimburse a covered entity or contract pharmacy for a quantity of a 340B drug in
178 an amount less than such plan, issuer, or manager would pay to any other similarly situated entity
179 or pharmacy that is not a covered entity or a contract pharmacy for such quantity of such drug on
180 the basis that the entity or pharmacy is a covered entity or contract pharmacy or that the entity or
181 pharmacy dispenses 340B drugs.

182 (ii) Shall discriminate against a 340B-covered entity (as defined in subsection (a)(1)) or a
183 contract pharmacy (as defined in subsection (a)(2)) by imposing requirements, exclusions,
184 reimbursement terms, or other conditions on such entity or pharmacy that differ from those
185 applied to entities or pharmacies that are not 340B-covered entities or contract pharmacies on the
186 basis that the entity or pharmacy is a covered entity or contract pharmacy or that the entity or
187 pharmacy dispenses 340B drugs, including by taking any action prohibited under subsection (b).

188 (iii) Shall impose any terms or conditions on 340B-covered entities or contract
189 pharmacies with respect to any of the following that differ from such terms or conditions applied
190 to other similarly situated entities or pharmacies that are not 340B-covered entities or contract
191 pharmacies on the basis that the entity or pharmacy is a 340B-covered entity or contract
192 pharmacy or that the entity or pharmacy dispenses 340B drugs:

193 (A) Fees, chargebacks, clawbacks, adjustments, or other assessments.

194 (B) Professional dispensing fees.

195 (C) Restrictions or requirements regarding participation in standard or preferred
196 pharmacy networks.

197 (D) Requirements relating to the frequency or scope of audits or to inventory
198 management systems using generally accepted accounting principles.

199 (iv) Shall require a claim for a drug to include a modifier to indicate that the drug is a
200 340B drug, or any other method of identifying the claim as 340B, unless the claim is for
201 payment, directly or indirectly, by Medicaid as defined in section 8 of chapter 118E.

202 (c) Patient’s Choice. With respect to a patient eligible to receive drugs that are subject to
203 an agreement under section 256b of Title 42 of the United States Code from a 340B-covered
204 entity or its contract pharmacy, no entity that makes payment for such drugs shall discriminate
205 against the 340B-covered entity or its contract pharmacy in a manner that prevents, steers, or
206 otherwise interferes with the patient’s choice to receive such drugs from the 340B-covered entity
207 or its contract pharmacy.

208 SECTION 5. Section 1 of chapter 176B of the General Laws, as appearing in the 2022
209 Official Edition, is hereby amended by inserting after the definition of “Commissioner”, the
210 following new definitions:

211 “340B-covered entity”, has the same meaning as that set forth in section 256b(a)(4) of
212 Title 42 of the United States Code.

213 “Contract pharmacy” means a pharmacy operating under contract with a 340B-covered
214 entity to provide dispensing services to the 340B-covered entity as described in 75 Fed. Reg.
215 10,272 (Mar. 5, 2010).

216 “Drug coverage” means:

217 (i) An insurance company organized under this Chapter providing reimbursement for
218 covered outpatient drugs, accepting any Medicaid insurance plan of the Commonwealth as
219 defined in G. L. c. 118E or other applicable laws governing Medicaid in the Commonwealth;

220 (ii) Notwithstanding the foregoing, the term “drug coverage” does not include any
221 amounts paid by an individual on his or her own behalf or on behalf of another individual.

222 SECTION 6. Chapter 176B of the General Laws, is hereby further amended, by inserting
223 after section 25 the following new section:-

224 Section 26.

225 (a) TERMS OF AGREEMENTS. No drug coverage that reimburses a 340B-covered
226 entity or its contract pharmacy for drugs that are subject to an agreement under section
227 256b(a)(1) of Title 42 of the United States Code:

228 (i) Shall reimburse a covered entity or contract pharmacy for a quantity of a 340B drug in
229 an amount less than such plan, issuer, or manager would pay to any other similarly situated entity
230 or pharmacy that is not a covered entity or a contract pharmacy for such quantity of such drug on
231 the basis that the entity or pharmacy is a covered entity or contract pharmacy or that the entity or
232 pharmacy dispenses 340B drugs.

233 (ii) Shall discriminate against a 340B-covered entity (as defined in subsection (a)(1)) or a
234 contract pharmacy (as defined in subsection (a)(2)) by imposing requirements, exclusions,
235 reimbursement terms, or other conditions on such entity or pharmacy that differ from those
236 applied to entities or pharmacies that are not 340B-covered entities or contract pharmacies on the

237 basis that the entity or pharmacy is a covered entity or contract pharmacy or that the entity or
238 pharmacy dispenses 340B drugs, including by taking any action prohibited under subsection (b).

239 (iii) Shall impose any terms or conditions on 340B-covered entities or contract
240 pharmacies with respect to any of the following that differ from such terms or conditions applied
241 to other similarly situated entities or pharmacies that are not 340B-covered entities or contract
242 pharmacies on the basis that the entity or pharmacy is a 340B-covered entity or contract
243 pharmacy or that the entity or pharmacy dispenses 340B drugs:

244 (A) Fees, chargebacks, clawbacks, adjustments, or other assessments.

245 (B) Professional dispensing fees.

246 (C) Restrictions or requirements regarding participation in standard or preferred
247 pharmacy networks.

248 (D) Requirements relating to the frequency or scope of audits or to inventory
249 management systems using generally accepted accounting principles.

250 (iv) Shall require a claim for a drug to include a modifier to indicate that the drug is a
251 340B drug, or any other method of identifying the claim as 340B, unless the claim is for
252 payment, directly or indirectly, by Medicaid as defined in section 8 of chapter 118E.

253 (b) Patient's Choice. With respect to a patient eligible to receive drugs that are subject to
254 an agreement under section 256b of Title 42 of the United States Code from a 340B-covered
255 entity or its contract pharmacy, no entity that makes payment for such drugs shall discriminate
256 against the 340B-covered entity or its contract pharmacy in a manner that prevents, steers, or

257 otherwise interferes with the patient’s choice to receive such drugs from the 340B-covered entity
258 or its contract pharmacy.

259 SECTION 7. Section 1 of chapter 176G of the General Laws, as appearing in the 2022
260 Official Edition, is hereby amended by inserting after the definition of “Company”, the following
261 new definitions:

262 “340B-covered entity”, has the same meaning as that set forth in section 256b(a)(4) of
263 Title 42 of the United States Code.

264 “Contract pharmacy” means a pharmacy operating under contract with a 340B-covered
265 entity to provide dispensing services to the 340B-covered entity as described in 75 Fed. Reg.
266 10,272 (Mar. 5, 2010).

267 “Drug coverage” means:

268 (i) An insurance company organized under this Chapter providing reimbursement for
269 covered outpatient drugs, accepting any Medicaid insurance plan of the Commonwealth as
270 defined in G. L. c. 118E or other applicable laws governing Medicaid in the Commonwealth;

271 (ii) Notwithstanding the foregoing, the term “drug coverage” does not include any
272 amounts paid by an individual on his or her own behalf or on behalf of another individual.

273 SECTION 8. Chapter 176G of the General Laws, is hereby further amended, by inserting
274 after section 33 the following new section:-

275 Section 34.

276 (a) TERMS OF AGREEMENTS. No drug coverage that reimburses a-340B-covered
277 entity or its contract pharmacy for drugs that are subject to an agreement under section
278 256b(a)(1) of Title 42 of the United States Code:

279 (i) Shall reimburse a covered entity or contract pharmacy for a quantity of a 340B drug in
280 an amount less than such plan, issuer, or manager would pay to any other similarly situated entity
281 or pharmacy that is not a covered entity or a contract pharmacy for such quantity of such drug on
282 the basis that the entity or pharmacy is a covered entity or contract pharmacy or that the entity or
283 pharmacy dispenses 340B drugs.

284 (ii) Shall discriminate against a 340B-covered entity (as defined in subsection (a)(1)) or a
285 contract pharmacy (as defined in subsection (a)(2)) by imposing requirements, exclusions,
286 reimbursement terms, or other conditions on such entity or pharmacy that differ from those
287 applied to entities or pharmacies that are not 340B-covered entities or contract pharmacies on the
288 basis that the entity or pharmacy is a covered entity or contract pharmacy or that the entity or
289 pharmacy dispenses 340B drugs, including by taking any action prohibited under subsection (b).

290 (iii) Shall impose any terms or conditions on 340B-covered entities or contract
291 pharmacies with respect to any of the following that differ from such terms or conditions applied
292 to other similarly situated entities or pharmacies that are not 340B-covered entities or contract
293 pharmacies on the basis that the entity or pharmacy is a 340B-covered entity or contract
294 pharmacy or that the entity or pharmacy dispenses 340B drugs:

295 (A) Fees, chargebacks, clawbacks, adjustments, or other assessments.

296 (B) Professional dispensing fees.

297 (C) Restrictions or requirements regarding participation in standard or preferred
298 pharmacy networks.

299 (D) Requirements relating to the frequency or scope of audits or to inventory
300 management systems using generally accepted accounting principles.

301 (iv) Shall require a claim for a drug to include a modifier to indicate that the drug is a
302 340B drug, or any other method of identifying the claim as 340B, unless the claim is for
303 payment, directly or indirectly, by Medicaid as defined in section 8 of chapter 118E.

304 (b) Patient’s Choice. With respect to a patient eligible to receive drugs that are subject to
305 an agreement under section 256b of Title 42 of the United States Code from a 340B-covered
306 entity or its contract pharmacy, no entity that makes payment for such drugs shall discriminate
307 against the 340B-covered entity or its contract pharmacy in a manner that prevents, steers, or
308 otherwise interferes with the patient’s choice to receive such drugs from the 340B-covered entity
309 or its contract pharmacy.

310 SECTION 9. Section 1 of chapter 176I of the General Laws, as appearing in the 2022
311 Official Edition, is hereby amended by inserting after the definition of “Commissioner”, the
312 following new definitions:

313 “340B-covered entity”, has the same meaning as that set forth in section 256b(a)(4) of
314 Title 42 of the United States Code.

315 “Contract pharmacy” means a pharmacy operating under contract with a 340B-covered
316 entity to provide dispensing services to the 340B-covered entity as described in 75 Fed. Reg.
317 10,272 (Mar. 5, 2010).

318 “Drug coverage” means:

319 (i) An insurance company organized under this Chapter providing reimbursement for
320 covered outpatient drugs, accepting any Medicaid insurance plan of the Commonwealth as
321 defined in G. L. c. 118E or other applicable laws governing Medicaid in the Commonwealth;

322 (ii) Notwithstanding the foregoing, the term “drug coverage” does not include any
323 amounts paid by an individual on his or her own behalf or on behalf of another individual.

324 SECTION 10. Chapter 176I of the General Laws, is hereby further amended, by inserting
325 after section 13 the following new section:-

326 Section 14.

327 (a) TERMS OF AGREEMENTS. No drug coverage that reimburses a-340B-covered
328 entity or its contract pharmacy for drugs that are subject to an agreement under section
329 256b(a)(1) of Title 42 of the United States Code:

330 (i) Shall reimburse a covered entity or contract pharmacy for a quantity of a 340B drug in
331 an amount less than such plan, issuer, or manager would pay to any other similarly situated entity
332 or pharmacy that is not a covered entity or a contract pharmacy for such quantity of such drug on
333 the basis that the entity or pharmacy is a covered entity or contract pharmacy or that the entity or
334 pharmacy dispenses 340B drugs.

335 (ii) Shall discriminate against a 340B-covered entity (as defined in subsection (a)(1)) or a
336 contract pharmacy (as defined in subsection (a)(2)) by imposing requirements, exclusions,
337 reimbursement terms, or other conditions on such entity or pharmacy that differ from those
338 applied to entities or pharmacies that are not 340B-covered entities or contract pharmacies on the

339 basis that the entity or pharmacy is a covered entity or contract pharmacy or that the entity or
340 pharmacy dispenses 340B drugs, including by taking any action prohibited under subsection (b).

341 (iii) Shall impose any terms or conditions on 340B-covered entities or contract
342 pharmacies with respect to any of the following that differ from such terms or conditions applied
343 to other similarly situated entities or pharmacies that are not 340B-covered entities or contract
344 pharmacies on the basis that the entity or pharmacy is a 340B-covered entity or contract
345 pharmacy or that the entity or pharmacy dispenses 340B drugs:

346 (A) Fees, chargebacks, clawbacks, adjustments, or other assessments.

347 (B) Professional dispensing fees.

348 (C) Restrictions or requirements regarding participation in standard or preferred
349 pharmacy networks.

350 (D) Requirements relating to the frequency or scope of audits or to inventory
351 management systems using generally accepted accounting principles.

352 (iv) Shall require a claim for a drug to include a modifier to indicate that the drug is a
353 340B drug, or any other method of identifying the claim as 340B, unless the claim is for
354 payment, directly or indirectly, by Medicaid as defined in section 8 of chapter 118E.

355 (b) Patient's Choice. With respect to a patient eligible to receive drugs that are subject to
356 an agreement under section 256b of Title 42 of the United States Code from a 340B-covered
357 entity or its contract pharmacy, no entity that makes payment for such drugs shall discriminate
358 against the 340B-covered entity or its contract pharmacy in a manner that prevents, steers, or

359 otherwise interferes with the patient's choice to receive such drugs from the 340B-covered entity
360 or its contract pharmacy.