

HOUSE No. 4494

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. 1274) of Brian W. Murray, James B. Eldridge and Michael O. Moore for legislation to prohibit discrimination against 340B drug discount program participants, reports recommending that the accompanying bill (House, No. 4494) ought to pass.

For the committee,

JAMES M. MURPHY.

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

An Act prohibiting PBMs from discriminating against hospitals and patients participating in the 340B drug discount program.

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 176O of the General Laws is hereby amended by adding the
2 following section:-

3 Section 31. (a) In this section “340B covered entity” means an entity participating in the
4 federal 340B drug discount program, as described in 42 U.S.C. § 256b, including its pharmacy or
5 pharmacies, or any pharmacy or pharmacies, contracted with the participating entity to dispense
6 drugs purchased through such program. (b) A pharmacy benefit manager or other third party that
7 reimburses a 340B covered entity for drugs shall not:

- 8 (1) reimburse the 340B covered entity for a drug at a rate lower than that paid for the
9 same drug to entities that are not 340B covered entities; (2) assess any fee, charge-back, or other
10 adjustment on the 340B covered entity on the basis that the covered entity participates in the
11 340B program; (3) restrict participation in a pharmacy or provider network based on an entity’s
12 status as a 340B covered entity; (4) require the 340B covered entity to enter into a contract with a
13 specific pharmacy to participate in the pharmacy benefit manager or third party’s pharmacy or

14 provider network; (5) require a claim for a drug to include a modifier, supplemental
15 transmission, to indicate that the drug is a 340B drug, or any other method of identifying the
16 claim for a 340B drug, unless the claim is for payment, directly or indirectly, by Medicaid; or (6)
17 impose coverage or benefits limitations, or require an enrollee to pay an additional fee, higher
18 copay, higher coinsurance, second copay, second coinsurance, or other penalty when obtaining a
19 drug from a 340 covered entity; (7) interfere with the patient's right to choose to obtain a drug
20 from a 340B covered entity, including inducement, steering, or offering financial or other
21 incentives.