

**HOUSE . . . . . No.**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Sean Reid*

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to protect 340B providers.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Sean Reid</i>	<i>11th Essex</i>	<i>1/17/2025</i>

**HOUSE . . . . . No.**

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[Pin Slip]

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**The Commonwealth of Massachusetts**

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

An Act to protect 340B providers.

*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 XX. Chapter 32A of the General Laws, as appearing in the 2020 Official  
2 Edition, is hereby amended by inserting after section 33, the following new section: -

3 Section 34.

4 (a) For purposes of this section:

5 (1) “340B drug” shall mean a drug that has been subject to any offer for reduced prices  
6 by a manufacturer pursuant to 42 U.S.C. 256b and is purchased by a covered entity as defined by  
7 42 U.S.C. 256b(a)(4).

8 (2) “340B entity” shall mean an entity participating or authorized to participate in the  
9 federal 340B drug discount program, as defined by 42 U.S.C. 256b, including its pharmacy, or  
10 any pharmacy contracted with the participating entity to dispense drugs purchased through the  
11 340B drug discount program.

12 (3) “Health insurance issuer” shall mean the group insurance commission or a “carrier”  
13 as defined in section 1 of chapter 176O.

14 (4) “Third party” shall mean a group health plan, a health insurance issuer offering group  
15 or individual health insurance coverage, or a pharmacy benefit manager that reimburses a 340B  
16 covered entity for drugs. Third party includes Medicaid managed care organizations, employee  
17 benefit plans under the Employee Retirement Income Security Act of 1974, or Medicare Part C  
18 or D plans. Third party does not include drugs reimbursed under Medicaid fee-for-service or a  
19 self-pay patient.

20 (5) “Manufacturer” means a person who is engaged in manufacturing, preparing,  
21 propagating, compounding, processing, packaging, repackaging or labeling a prescription drug as  
22 defined in 247 CMR 2.00.

23 (6) “Pharmacy” includes the definition of “pharmacy” and “retail drug business” as  
24 defined by section 1 of chapter 94C, and “Institutional pharmacy” as defined by section 39D of  
25 chapter 112.

26 (7) “Pharmacy benefit manager” shall have the same meaning as defined by section 226  
27 of chapter 175.

28 (b) With respect to reimbursement to a 340B entity for 340B drugs, a health insurance  
29 issuer, pharmacy benefit manager, other third party payor, or their agents shall not do any of the  
30 following:

31 (i) Reimburse a 340B entity for 340B drugs at a rate lower than that paid for the same  
32 drug to entities that are not 340B entities or lower reimbursement for a claim on the basis that the  
33 claim is for a 340B drug.

34 (ii) Impose any terms or conditions on any 340B entity with respect to any of the  
35 following that differ from such terms or conditions applied to non-340B entities on the basis that  
36 the entity participates in the federal 340B drug discount program set forth in 42 U.S.C.256b or  
37 that a drug is a 340B drug including, without limitation, any of the following:

38 A. Fees, charges, clawbacks, or other adjustments or assessments. For purposes of this  
39 Subsection, the term “other adjustment” includes placing any additional requirements,  
40 restrictions, or unnecessary burdens upon the 340B entity that results in administrative costs or  
41 fees to the 340B entity that are not placed upon other entities that do not participate in the 340B  
42 drug discount program, including affiliate pharmacies of the health insurance issuer, pharmacy  
43 benefit manager, or other third-party payor.

44 B. Dispensing fees that are less than the dispensing fees for non-340B entities.

45 C. Restrictions or requirements regarding participation in standard or preferred pharmacy  
46 networks.

47 D. Requirements that a claim for a drug include any identification, billing modifier,  
48 attestation, or other indication that a drug is a 340B drug in order to be processed or resubmitted  
49 unless it is required by the Centers for Medicare and Medicaid Services, the executive office of  
50 health and human services, or the division of medical assistance.

51 E. Any other restrictions, conditions, practices, or policies that are not imposed on non-  
52 340B entities.

53 (iii) Require a 340B entity to reverse, resubmit, or clarify a claim after the initial  
54 adjudication unless these actions are in the normal course of pharmacy business and not related  
55 to 340B drug pricing.

56 (iv) Discriminate against a 340B entity in a manner that prevents or interferes with any  
57 patient's choice to receive such drugs from the 340B entity, including the administration of such  
58 drugs. For purposes of this subsection, it is considered a discriminatory practice that prevents or  
59 interferes with a patient's choice to receive drugs at a 340B entity if a health insurance issuer,  
60 pharmacy benefit manager, or other third-party payor places any additional requirements,  
61 restrictions, or unnecessary burdens upon the 340B entity that results in administrative costs or  
62 fees to the 340B entity, including but not limited to requiring a claim for a drug to include any  
63 identification, billing modifier, attestation or other indication that a drug is a 340B drug in order  
64 to be processed or resubmitted unless it is required by the Centers for Medicare and Medicaid  
65 Services, the executive office of health and human services, or the division of medical assistance.

66 (v) Require a 340B entity to submit any claims, utilization, patient, or other data as a  
67 condition for allowing the acquisition of a 340B drug by, or delivery of a 340B drug to, a 340B  
68 entity unless the data is required by the United States Department of Health and Human Services,  
69 Centers for Medicare and Medicaid Services, the executive office of health and human services,  
70 or the division of medical assistance.

71 (vi) Include any other provision in a contract between a health insurance issuer, pharmacy  
72 benefit manager, or other third-party payor and a 340B entity that discriminates against the 340B

73 entity or prevents or interferes with an individual's choice to receive a prescription drug from a  
74 340B entity, including the administration of the drug, in person or via direct delivery, mail, or  
75 other form of shipment, or creation of a restriction or additional charge on a patient who chooses  
76 to receive drugs from a 340B entity.

77 (vii) Require or compel the submission of ingredient costs or pricing data pertaining to  
78 340B drugs to any health insurance issuer, pharmacy benefit manager, or other third-party payor.

79 (viii) Exclude any 340B entity from the health insurance issuer, pharmacy benefit  
80 manager, or other third party payor network on the basis that the 340B entity dispenses drugs  
81 subject to an agreement under 42 U.S.C.256b, or refusing to contract with a 340B entity for  
82 reasons other than those that apply equally to non-340B entities.

83 (ix) Nothing in this section applies to the division of medical assistance as payor when  
84 Medicaid provides reimbursement for covered outpatient drugs as defined in 42 U.S.C. 1396r-  
85 8(9k)).

86 (c) With respect to manufacturing or distribution of drugs related to 340B entities:

87 (i) A manufacturer or distributor shall not deny, restrict, prohibit, or otherwise interfere  
88 with, either directly or indirectly, the acquisition of a 340B drug by, or delivery of a 340B drug  
89 to, a pharmacy that is under contract with a 340B entity and is authorized under such contract to  
90 receive and dispense 340B drugs on behalf of the covered entity unless such receipt is prohibited  
91 by the United States Department of Health and Human Services.

92 (ii) A manufacturer or distributor shall not interfere with a pharmacy contracted with a  
93 340B entity.

94 (iii) A manufacturer or distributor shall not require a 340B entity to submit any claims,  
95 utilization, patient, or other data as a condition for allowing the acquisition of a 340B drug by, or  
96 delivery of a 340B drug to, a

97 340B entity unless the data is required by the United States Department of Health and  
98 Human Services.

99 SECTION XX. Chapter 175 of the General Laws, as appearing in the 2020 Official  
100 Edition, is hereby amended by inserting after section 47TT, the following new section:-

101 Section 47UU.

102 (a) For purposes of this section:

103 (1) “340B drug” shall mean a drug that has been subject to any offer for reduced prices  
104 by a manufacturer pursuant to 42 U.S.C. 256b and is purchased by a covered entity as defined by  
105 42 U.S.C. 256b(a)(4).

106 (2) “340B entity” shall mean an entity participating or authorized to participate in the  
107 federal 340B drug discount program, as defined by 42 U.S.C. 256b, including its pharmacy, or  
108 any pharmacy contracted with the participating entity to dispense drugs purchased through the  
109 340B drug discount program.

110 (3) “Health insurance issuer” shall mean “carrier” as defined in section 1 of chapter  
111 176O.

112 (4) “Third party” shall mean a group health plan, a health insurance issuer offering group  
113 or individual health insurance coverage, or a pharmacy benefit manager that reimburses a 340B  
114 covered entity for drugs. Third party includes Medicaid managed care organizations, employee

115 benefit plans under the Employee Retirement Income Security Act of 1974, or Medicare Part C  
116 or D plans. Third party does not include drugs reimbursed under Medicaid fee-for-service or a  
117 self-pay patient.

118 (5) “Manufacturer” means a person who is engaged in manufacturing, preparing,  
119 propagating, compounding, processing, packaging, repackaging or labeling a prescription drug as  
120 defined in 247 CMR 2.00.

121 (6) “Pharmacy” includes the definition of “pharmacy” and “retail drug business” as  
122 defined by section 1 of chapter 94C, and “Institutional pharmacy” as defined by section 39D of  
123 chapter 112.

124 (7) “Pharmacy benefit manager” shall have the same meaning as defined by section 226  
125 of chapter 175.

126 (b) With respect to reimbursement to a 340B entity for 340B drugs, a health insurance  
127 issuer, pharmacy benefit manager, other third party payor, or their agents shall not do any of the  
128 following:

129 (i) Reimburse a 340B entity for 340B drugs at a rate lower than that paid for the same  
130 drug to entities that are not 340B entities or lower reimbursement for a claim on the basis that the  
131 claim is for a 340B drug.

132 (ii) Impose any terms or conditions on any 340B entity with respect to any of the  
133 following that differ from such terms or conditions applied to non-340B entities on the basis that  
134 the entity participates in the federal 340B drug discount program set forth in 42 U.S.C.256b or  
135 that a drug is a 340B drug including, without limitation, any of the following:



136           A. Fees, charges, clawbacks, or other adjustments or assessments. For purposes of this  
137 Subsection, the term “other adjustment” includes placing any additional requirements,  
138 restrictions, or unnecessary burdens upon the 340B entity that results in administrative costs or  
139 fees to the 340B entity that are not placed upon other entities that do not participate in the 340B  
140 drug discount program, including affiliate pharmacies of the health insurance issuer, pharmacy  
141 benefit manager, or other third-party payor.

142           B. Dispensing fees that are less than the dispensing fees for non-340B entities.

143           C. Restrictions or requirements regarding participation in standard or preferred pharmacy  
144 networks.

145           D. Restrictions or requirements regarding participation in standard or preferred pharmacy  
146 network.

147           E. Requirements that a claim for a drug include any identification, billing modifier,  
148 attestation, or other indication that a drug is a 340B drug in order to be processed or resubmitted  
149 unless it is required by the United States Department of Health and Human Services, Centers for  
150 Medicare and Medicaid Services, the executive office of health and human services, or the  
151 division of medical assistance.

152           F. Any other restrictions, conditions, practices, or policies that are not imposed on non-  
153 340B entities.

154           (iii) Require a 340B entity to reverse, resubmit, or clarify a claim after the initial  
155 adjudication unless these actions are in the normal course of pharmacy business and not related  
156 to 340B drug pricing.

157 (iv) Discriminate against a 340B entity in a manner that prevents or interferes with any  
158 patient's choice to receive such drugs from the 340B entity, including the administration of such  
159 drugs. For purposes of this subsection, it is considered a discriminatory practice that prevents or  
160 interferes with a patient's choice to receive drugs at a 340B entity if a health insurance issuer,  
161 pharmacy benefit manager, or other third-party payor places any additional requirements,  
162 restrictions, or unnecessary burdens upon the 340B entity that results in administrative costs or  
163 fees to the 340B entity, including but not limited to requiring a claim for a drug to include any  
164 identification, billing modifier, attestation or other indication that a drug is a 340B drug in order  
165 to be processed or resubmitted unless it is required by the United States Department of Health  
166 and Human Services, Centers for Medicare and Medicaid Services, the executive office of health  
167 and human services, or the division of medical assistance.

168 (v) Require a 340B entity to submit any claims, utilization, patient, or other data as a  
169 condition for allowing the acquisition of a 340B drug by, or delivery of a 340B drug to, a 340B  
170 entity unless the data is required by the United States Department of Health and Human Services,  
171 Centers for Medicare and Medicaid Services, the executive office of health and human services,  
172 or the division of medical assistance.

173 (vi) Include any other provision in a contract between a health insurance issuer, pharmacy  
174 benefit manager, or other third-party payor and a 340B entity that discriminates against the 340B  
175 entity or prevents or interferes with an individual's choice to receive a prescription drug from a  
176 340B entity, including the administration of the drug, in person or via direct delivery, mail, or  
177 other form of shipment, or creation of a restriction or additional charge on a patient who chooses  
178 to receive drugs from a 340B entity.

179 (vii) Require or compel the submission of ingredient costs or pricing data pertaining to  
180 340B drugs to any health insurance issuer, pharmacy benefit manager, or other third party payor.

181 (viii) Exclude any 340B entity from the health insurance issuer, pharmacy benefit  
182 manager, or other third party payor network on the basis that the 340B entity dispenses drugs  
183 subject to an agreement under 42 U.S.C.256b, or refusing to contract with a 340B entity for  
184 reasons other than those that apply equally to non-340B entities.

185 (ix) Nothing in this section applies to the division of medical assistance as payor when  
186 Medicaid provides reimbursement for covered outpatient drugs as defined in 42 U.S.C. 1396r-  
187 8(9k)).

188 (c) With respect to manufacturing or distribution of drugs related to 340B entities:

189 (i) A manufacturer or distributor shall not deny, restrict, prohibit, or otherwise interfere  
190 with, either directly or indirectly, the acquisition of a 340B drug by, or delivery of a 340B drug  
191 to, a pharmacy that is under contract with a 340B entity and is authorized under such contract to  
192 receive and dispense 340B drugs on behalf of the covered entity unless such receipt is prohibited  
193 by the United States Department of Health and Human Services.

194 (ii) A manufacturer or distributor shall not interfere with a pharmacy contracted with a  
195 340B entity.

196 (iii) A manufacturer or distributor shall not require a 340B entity to submit any claims,  
197 utilization, patient, or other data as a condition for allowing the acquisition of a 340B drug by, or  
198 delivery of a 340B drug to, a 340B entity unless the data is required by the United States  
199 Department of Health and Human Services.

200 SECTION XX. Chapter 176A of the General Laws, as appearing in the 2020 Official  
201 Edition, is hereby amended by inserting after section 39, the following new section:-

202 Section 40.

203 (a) For purposes of this section:

204 (1) “340B drug” shall mean a drug that has been subject to any offer for reduced prices  
205 by a manufacturer pursuant to 42 U.S.C. 256b and is purchased by a covered entity as defined by  
206 42 U.S.C. 256b(a)(4).

207 (2) “340B entity” shall mean an entity participating or authorized to participate in the  
208 federal 340B drug discount program, as defined by 42 U.S.C. 256b, including its pharmacy, or  
209 any pharmacy contracted with the participating entity to dispense drugs purchased through the  
210 340B drug discount program.

211 (3) “Health insurance issuer” shall mean “carrier” as defined in section 1 of chapter  
212 176O.

213 (4) “Third party” shall mean a group health plan, a health insurance issuer offering group  
214 or individual health insurance coverage, or a pharmacy benefit manager that reimburses a 340B  
215 covered entity for drugs. Third party includes Medicaid managed care organizations, employee  
216 benefit plans under the Employee Retirement Income Security Act of 1974, or Medicare Part C  
217 or D plans. Third party does not include drugs reimbursed under Medicaid fee-for-service or a  
218 self-pay patient.

219 (5) “Manufacturer” means a person who is engaged in manufacturing, preparing,  
220 propagating, compounding, processing, packaging, repackaging or labeling a prescription drug as  
221 defined in 247 CMR 2.00.

222 (6) “Pharmacy” includes the definition of “pharmacy” and “retail drug business” as  
223 defined by section 1 of chapter 94C, and “Institutional pharmacy” as defined by section 39D of  
224 chapter 112.

225 (7) “Pharmacy benefit manager” shall have the same meaning as defined by section 226  
226 of chapter 175.

227 (b) With respect to reimbursement to a 340B entity for 340B drugs, a health insurance  
228 issuer, pharmacy benefit manager, other third party payor, or their agents shall not do any of the  
229 following:

230 (i) Reimburse a 340B entity for 340B drugs at a rate lower than that paid for the same  
231 drug to entities that are not 340B entities or lower reimbursement for a claim on the basis that the  
232 claim is for a 340B drug.

233 (ii) Impose any terms or conditions on any 340B entity with respect to any of the  
234 following that differ from such terms or conditions applied to non-340B entities on the basis that  
235 the entity participates in the federal 340B drug discount program set forth in 42 U.S.C.256b or  
236 that a drug is a 340B drug including, without limitation, any of the following:

237 A. Fees, charges, clawbacks, or other adjustments or assessments. For purposes of this  
238 Subsection, the term “other adjustment” includes placing any additional requirements,  
239 restrictions, or unnecessary burdens upon the 340B entity that results in administrative costs or

240 fees to the 340B entity that are not placed upon other entities that do not participate in the 340B  
241 drug discount program, including affiliate pharmacies of the health insurance issuer, pharmacy  
242 benefit manager, or other third-party payor.

243 B. Dispensing fees that are less than the dispensing fees for non-340B entities.

244 C. Restrictions or requirements regarding participation in standard or preferred pharmacy  
245 networks.

246 D. Restrictions or requirements regarding participation in standard or preferred pharmacy  
247 network.

248 E. Requirements that a claim for a drug include any identification, billing modifier,  
249 attestation, or other indication that a drug is a 340B drug in order to be processed or resubmitted  
250 unless it is required by the United States Department of Health and Human Services, Centers for  
251 Medicare and Medicaid Services, the executive office of health and human services, or the  
252 division of medical assistance.

253 F. Any other restrictions, conditions, practices, or policies that are not imposed on non-  
254 340B entities.

255 (iii) Require a 340B entity to reverse, resubmit, or clarify a claim after the initial  
256 adjudication unless these actions are in the normal course of pharmacy business and not related  
257 to 340B drug pricing.

258 (iv) Discriminate against a 340B entity in a manner that prevents or interferes with any  
259 patient's choice to receive such drugs from the 340B entity, including the administration of such  
260 drugs. For purposes of this subsection, it is considered a discriminatory practice that prevents or

261 interferes with a patient’s choice to receive drugs at a 340B entity if a health insurance issuer,  
262 pharmacy benefit manager, or other third-party payor places any additional requirements,  
263 restrictions, or unnecessary burdens upon the 340B entity that results in administrative costs or  
264 fees to the 340B entity, including but not limited to requiring a claim for a drug to include any  
265 identification, billing modifier, attestation or other indication that a drug is a 340B drug in order  
266 to be processed or resubmitted unless it is required by the United States Department of Health  
267 and Human Services, Centers for Medicare and Medicaid Services, the executive office of health  
268 and human services, or the division of medical assistance.

269 (v) Require a 340B entity to submit any claims, utilization, patient, or other data as a  
270 condition for allowing the acquisition of a 340B drug by, or delivery of a 340B drug to, a 340B  
271 entity unless the data is required by the United States Department of Health and Human Services,  
272 Centers for Medicare and Medicaid Services, the executive office of health and human services,  
273 or the division of medical assistance.

274 (vi) Include any other provision in a contract between a health insurance issuer, pharmacy  
275 benefit manager, or other third-party payor and a 340B entity that discriminates against the 340B  
276 entity or prevents or interferes with an individual’s choice to receive a prescription drug from a  
277 340B entity, including the administration of the drug, in person or via direct delivery, mail, or  
278 other form of shipment, or creation of a restriction or additional charge on a patient who chooses  
279 to receive drugs from a 340B entity.

280 (vii) Require or compel the submission of ingredient costs or pricing data pertaining to  
281 340B drugs to any health insurance issuer, pharmacy benefit manager, or other third party payor.

282 (viii) Exclude any 340B entity from the health insurance issuer, pharmacy benefit  
283 manager, or other third party payor network on the basis that the 340B entity dispenses drugs  
284 subject to an agreement under 42 U.S.C.256b, or refusing to contract with a 340B entity for  
285 reasons other than those that apply equally to non-340B entities.

286 (ix) Nothing in this section applies to the division of medical assistance as payor when  
287 Medicaid provides reimbursement for covered outpatient drugs as defined in 42 U.S.C. 1396r-  
288 8(9k)).

289 (c) With respect to manufacturing or distribution of drugs related to 340B entities:

290 (i) A manufacturer or distributor shall not deny, restrict, prohibit, or otherwise interfere  
291 with, either directly or indirectly, the acquisition of a 340B drug by, or delivery of a 340B drug  
292 to, a pharmacy that is under contract with a 340B entity and is authorized under such contract to  
293 receive and dispense 340B drugs on behalf of the covered entity unless such receipt is prohibited  
294 by the United States Department of Health and Human Services.

295 (ii) A manufacturer or distributor shall not interfere with a pharmacy contracted with a  
296 340B entity.

297 (iii) A manufacturer or distributor shall not require a 340B entity to submit any claims,  
298 utilization, patient, or other data as a condition for allowing the acquisition of a 340B drug by, or  
299 delivery of a 340B drug to, a 340B entity unless the data is required by the United States  
300 Department of Health and Human Services.

301 SECTION XX. Chapter 176B of the General Laws, as appearing in the 2020 Official  
302 Edition, is hereby further amended by inserting after section 26 the following new section: -



303 Section 27.

304 (a) For purposes of this section:

305 (1) “340B drug” shall mean a drug that has been subject to any offer for reduced prices  
306 by a manufacturer pursuant to 42 U.S.C. 256b and is purchased by a covered entity as defined by  
307 42 U.S.C. 256b(a)(4).

308 (2) “340B entity” shall mean an entity participating or authorized to participate in the  
309 federal 340B drug discount program, as defined by 42 U.S.C. 256b, including its pharmacy, or  
310 any pharmacy contracted with the participating entity to dispense drugs purchased through the  
311 340B drug discount program.

312 (3) “Health insurance issuer” shall mean “carrier” as defined in section 1 of chapter  
313 176O.

314 (4) “Third party” shall mean a group health plan, a health insurance issuer offering group  
315 or individual health insurance coverage, or a pharmacy benefit manager that reimburses a 340B  
316 covered entity for drugs. Third party includes Medicaid managed care organizations, employee  
317 benefit plans under the Employee Retirement Income Security Act of 1974, or Medicare Part C  
318 or D plans. Third party does not include drugs reimbursed under Medicaid fee-for-service or a  
319 self-pay patient.

320 (5) “Manufacturer” means a person who is engaged in manufacturing, preparing,  
321 propagating, compounding, processing, packaging, repackaging or labeling a prescription drug as  
322 defined in 247 CMR 2.00.

323 (6) “Pharmacy” includes the definition of “pharmacy” and “retail drug business” as  
324 defined by section 1 of chapter 94C, and “Institutional pharmacy” as defined by section 39D of  
325 chapter 112.

326 (7) “Pharmacy benefit manager” shall have the same meaning as defined by section 226  
327 of chapter 175.

328 (b) With respect to reimbursement to a 340B entity for 340B drugs, a health insurance  
329 issuer, pharmacy benefit manager, other third party payor, or their agents shall not do any of the  
330 following:

331 (i) Reimburse a 340B entity for 340B drugs at a rate lower than that paid for the same  
332 drug to entities that are not 340B entities or lower reimbursement for a claim on the basis that the  
333 claim is for a 340B drug.

334 (ii) Impose any terms or conditions on any 340B entity with respect to any of the  
335 following that differ from such terms or conditions applied to non-340B entities on the basis that  
336 the entity participates in the federal 340B drug discount program set forth in 42 U.S.C.256b or  
337 that a drug is a 340B drug including, without limitation, any of the following:

338 A. Fees, charges, clawbacks, or other adjustments or assessments. For purposes of this  
339 Subsection, the term “other adjustment” includes placing any additional requirements,  
340 restrictions, or unnecessary burdens upon the 340B entity that results in administrative costs or  
341 fees to the 340B entity that are not placed upon other entities that do not participate in the 340B  
342 drug discount program, including affiliate pharmacies of the health insurance issuer, pharmacy  
343 benefit manager, or other third-party payor.

- 344 B. Dispensing fees that are less than the dispensing fees for non-340B entities.
- 345 C. Restrictions or requirements regarding participation in standard or preferred pharmacy  
346 networks.
- 347 D. Restrictions or requirements regarding participation in standard or preferred pharmacy  
348 network.
- 349 E. Requirements that a claim for a drug include any identification, billing modifier,  
350 attestation, or other indication that a drug is a 340B drug in order to be processed or resubmitted  
351 unless it is required by the United States Department of Health and Human Services, Centers for  
352 Medicare and Medicaid Services, the executive office of health and human services, or the  
353 division of medical assistance.
- 354 F. Any other restrictions, conditions, practices, or policies that are not imposed on non-  
355 340B entities.
- 356 (iii) Require a 340B entity to reverse, resubmit, or clarify a claim after the initial  
357 adjudication unless these actions are in the normal course of pharmacy business and not related  
358 to 340B drug pricing.
- 359 (iv) Discriminate against a 340B entity in a manner that prevents or interferes with any  
360 patient's choice to receive such drugs from the 340B entity, including the administration of such  
361 drugs. For purposes of this subsection, it is considered a discriminatory practice that prevents or  
362 interferes with a patient's choice to receive drugs at a 340B entity if a health insurance issuer,  
363 pharmacy benefit manager, or other third-party payor places any additional requirements,  
364 restrictions, or unnecessary burdens upon the 340B entity that results in administrative costs or

365 fees to the 340B entity, including but not limited to requiring a claim for a drug to include any  
366 identification, billing modifier, attestation or other indication that a drug is a 340B drug in order  
367 to be processed or resubmitted unless it is required by the United States Department of Health  
368 and Human Services, Centers for Medicare and Medicaid Services, the executive office of health  
369 and human services, or the division of medical assistance.

370 (v) Require a 340B entity to submit any claims, utilization, patient, or other data as a  
371 condition for allowing the acquisition of a 340B drug by, or delivery of a 340B drug to, a 340B  
372 entity unless the data is required by the United States Department of Health and Human Services,  
373 Centers for Medicare and Medicaid Services, the executive office of health and human services,  
374 or the division of medical assistance.

375 (vi) Include any other provision in a contract between a health insurance issuer, pharmacy  
376 benefit manager, or other third-party payor and a 340B entity that discriminates against the 340B  
377 entity or prevents or interferes with an individual's choice to receive a prescription drug from a  
378 340B entity, including the administration of the drug, in person or via direct delivery, mail, or  
379 other form of shipment, or creation of a restriction or additional charge on a patient who chooses  
380 to receive drugs from a 340B entity.

381 (vii) Require or compel the submission of ingredient costs or pricing data pertaining to  
382 340B drugs to any health insurance issuer, pharmacy benefit manager, or other third party payor.

383 (viii) Exclude any 340B entity from the health insurance issuer, pharmacy benefit  
384 manager, or other third party payor network on the basis that the 340B entity dispenses drugs  
385 subject to an agreement under 42 U.S.C.256b, or refusing to contract with a 340B entity for  
386 reasons other than those that apply equally to non-340B entities.

387 (ix) Nothing in this section applies to the division of medical assistance as payor when  
388 Medicaid provides reimbursement for covered outpatient drugs as defined in 42 U.S.C. 1396r-  
389 8(9k)).

390 (c) With respect to manufacturing or distribution of drugs related to 340B entities:

391 (i) A manufacturer or distributor shall not deny, restrict, prohibit, or otherwise interfere  
392 with, either directly or indirectly, the acquisition of a 340B drug by, or delivery of a 340B drug  
393 to, a pharmacy that is under contract with a 340B entity and is authorized under such contract to  
394 receive and dispense 340B drugs on behalf of the covered entity unless such receipt is prohibited  
395 by the United States Department of Health and Human Services.

396 (ii) A manufacturer or distributor shall not interfere with a pharmacy contracted with a  
397 340B entity.

398 (iii) A manufacturer or distributor shall not require a 340B entity to submit any claims,  
399 utilization, patient, or other data as a condition for allowing the acquisition of a 340B drug by, or  
400 delivery of a 340B drug to, a 340B entity unless the data is required by the United States  
401 Department of Health and Human Services.

402 SECTION XX. Chapter 176G of the General Laws, as appearing in the 2020 Official  
403 Edition, is hereby further amended by inserting after section 34 the following new section:-

404 Section 35.

405 (a) For purposes of this section:

406 (1) “340B drug” shall mean a drug that has been subject to any offer for reduced prices  
407 by a manufacturer pursuant to 42 U.S.C. 256b and is purchased by a covered entity as defined by  
408 42 U.S.C. 256b(a)(4).

409 (2) “340B entity” shall mean an entity participating or authorized to participate in the  
410 federal 340B drug discount program, as defined by 42 U.S.C. 256b, including its pharmacy, or  
411 any pharmacy contracted with the participating entity to dispense drugs purchased through the  
412 340B drug discount program.

413 (3) “Health insurance issuer” shall mean “carrier” as defined in section 1 of chapter  
414 176O.

415 (4) “Third party” shall mean a group health plan, a health insurance issuer offering group  
416 or individual health insurance coverage, or a pharmacy benefit manager that reimburses a 340B  
417 covered entity for drugs. Third party includes Medicaid managed care organizations, employee  
418 benefit plans under the Employee Retirement Income Security Act of 1974, or Medicare Part C  
419 or D plans. Third party does not include drugs reimbursed under Medicaid fee-for-service or a  
420 self-pay patient.

421 (5) “Manufacturer” means a person who is engaged in manufacturing, preparing,  
422 propagating, compounding, processing, packaging, repackaging or labeling a prescription drug as  
423 defined in 247 CMR 2.00.

424 (6) “Pharmacy” includes the definition of “pharmacy” and “retail drug business” as  
425 defined by section 1 of chapter 94C, and “Institutional pharmacy” as defined by section 39D of  
426 chapter 112.

427 (7) “Pharmacy benefit manager” shall have the same meaning as defined by section 226  
428 of chapter 175.

429 (b) With respect to reimbursement to a 340B entity for 340B drugs, a health insurance  
430 issuer, pharmacy benefit manager, other third party payor, or their agents shall not do any of the  
431 following:

432 (i) Reimburse a 340B entity for 340B drugs at a rate lower than that paid for the same  
433 drug to entities that are not 340B entities or lower reimbursement for a claim on the basis that the  
434 claim is for a 340B drug.

435 (ii) Impose any terms or conditions on any 340B entity with respect to any of the  
436 following that differ from such terms or conditions applied to non-340B entities on the basis that  
437 the entity participates in the federal 340B drug discount program set forth in 42 U.S.C.256b or  
438 that a drug is a 340B drug including, without limitation, any of the following:

439 A. Fees, charges, clawbacks, or other adjustments or assessments. For purposes of this  
440 Subsection, the term “other adjustment” includes placing any additional requirements,  
441 restrictions, or unnecessary burdens upon the 340B entity that results in administrative costs or  
442 fees to the 340B entity that are not placed upon other entities that do not participate in the 340B  
443 drug discount program, including affiliate pharmacies of the health insurance issuer, pharmacy  
444 benefit manager, or other third-party payor.

445 B. Dispensing fees that are less than the dispensing fees for non-340B entities.

446 C. Restrictions or requirements regarding participation in standard or preferred pharmacy  
447 networks.

448 D. Restrictions or requirements regarding participation in standard or preferred pharmacy  
449 network.

450 E. Requirements that a claim for a drug include any identification, billing modifier,  
451 attestation, or other indication that a drug is a 340B drug in order to be processed or resubmitted  
452 unless it is required by the United States Department of Health and Human Services, Centers for  
453 Medicare and Medicaid Services, the executive office of health and human services, or the  
454 division of medical assistance.

455 F. Any other restrictions, conditions, practices, or policies that are not imposed on non-  
456 340B entities.

457 (iii) Require a 340B entity to reverse, resubmit, or clarify a claim after the initial  
458 adjudication unless these actions are in the normal course of pharmacy business and not related  
459 to 340B drug pricing.

460 (iv) Discriminate against a 340B entity in a manner that prevents or interferes with any  
461 patient's choice to receive such drugs from the 340B entity, including the administration of such  
462 drugs. For purposes of this subsection, it is considered a discriminatory practice that prevents or  
463 interferes with a patient's choice to receive drugs at a 340B entity if a health insurance issuer,  
464 pharmacy benefit manager, or other third-party payor places any additional requirements,  
465 restrictions, or unnecessary burdens upon the 340B entity that results in administrative costs or  
466 fees to the 340B entity, including but not limited to requiring a claim for a drug to include any  
467 identification, billing modifier, attestation or other indication that a drug is a 340B drug in order  
468 to be processed or resubmitted unless it is required by the United States Department of Health



469 and Human Services, Centers for Medicare and Medicaid Services, the executive office of health  
470 and human services, or the division of medical assistance.

471 (v) Require a 340B entity to submit any claims, utilization, patient, or other data as a  
472 condition for allowing the acquisition of a 340B drug by, or delivery of a 340B drug to, a 340B  
473 entity unless the data is required by the United States Department of Health and Human Services,  
474 Centers for Medicare and Medicaid Services, the executive office of health and human services,  
475 or the division of medical assistance.

476 (vi) Include any other provision in a contract between a health insurance issuer, pharmacy  
477 benefit manager, or other third-party payor and a 340B entity that discriminates against the 340B  
478 entity or prevents or interferes with an individual's choice to receive a prescription drug from a  
479 340B entity, including the administration of the drug, in person or via direct delivery, mail, or  
480 other form of shipment, or creation of a restriction or additional charge on a patient who chooses  
481 to receive drugs from a 340B entity.

482 (vii) Require or compel the submission of ingredient costs or pricing data pertaining to  
483 340B drugs to any health insurance issuer, pharmacy benefit manager, or other third party payor.

484 (viii) Exclude any 340B entity from the health insurance issuer, pharmacy benefit  
485 manager, or other third party payor network on the basis that the 340B entity dispenses drugs  
486 subject to an agreement under 42 U.S.C.256b, or refusing to contract with a 340B entity for  
487 reasons other than those that apply equally to non-340B entities.

488 (ix) Nothing in this section applies to the division of medical assistance as payor when  
489 Medicaid provides reimbursement for covered outpatient drugs as defined in 42 U.S.C. 1396r-  
490 8(9k)).

491 (c) With respect to manufacturing or distribution of drugs related to 340B entities:

492 (i) A manufacturer or distributor shall not deny, restrict, prohibit, or otherwise interfere  
493 with, either directly or indirectly, the acquisition of a 340B drug by, or delivery of a 340B drug  
494 to, a pharmacy that is under contract with a 340B entity and is authorized under such contract to  
495 receive and dispense 340B drugs on behalf of the covered entity unless such receipt is prohibited  
496 by the United States Department of Health and Human Services.

497 (ii) A manufacturer or distributor shall not interfere with a pharmacy contracted with a  
498 340B entity.

499 (iii) A manufacturer or distributor shall not require a 340B entity to submit any claims,  
500 utilization, patient, or other data as a condition for allowing the acquisition of a 340B drug by, or  
501 delivery of a 340B drug to, a 340B entity unless the data is required by the United States  
502 Department of Health and Human Services.

503 SECTION XX. Chapter 176I of the General Laws, as appearing in the 2020 Official  
504 Edition, is hereby amended by inserting after section 14 the following new section: -

505 Section 15.

506 (a) For purposes of this section:

507 (1) “340B drug” shall mean a drug that has been subject to any offer for reduced prices  
508 by a manufacturer pursuant to 42 U.S.C. 256b and is purchased by a covered entity as defined by  
509 42 U.S.C. 256b(a)(4).

510 (2) “340B entity” shall mean an entity participating or authorized to participate in the  
511 federal 340B drug discount program, as defined by 42 U.S.C. 256b, including its pharmacy, or

512 any pharmacy contracted with the participating entity to dispense drugs purchased through the  
513 340B drug discount program.

514 (3) “Health insurance issuer” shall mean “carrier” as defined in section 1 of chapter  
515 176O.

516 (4) “Third party” shall mean a group health plan, a health insurance issuer offering group  
517 or individual health insurance coverage, or a pharmacy benefit manager that reimburses a 340B  
518 covered entity for drugs. Third party includes Medicaid managed care organizations, employee  
519 benefit plans under the Employee Retirement Income Security Act of 1974, or Medicare Part C  
520 or D plans. Third party does not include drugs reimbursed under Medicaid fee-for-service or a  
521 self-pay patient.

522 (5) “Manufacturer” means a person who is engaged in manufacturing, preparing,  
523 propagating, compounding, processing, packaging, repackaging or labeling a prescription drug as  
524 defined in 247 CMR 2.00.

525 (6) “Pharmacy” includes the definition of “pharmacy” and “retail drug business” as  
526 defined by section 1 of chapter 94C, and “Institutional pharmacy” as defined by section 39D of  
527 chapter 112.

528 (7) “Pharmacy benefit manager” shall have the same meaning as defined by section 226  
529 of chapter 175.

530 (b) With respect to reimbursement to a 340B entity for 340B drugs, a health insurance  
531 issuer, pharmacy benefit manager, other third party payor, or their agents shall not do any of the  
532 following:

533 (i) Reimburse a 340B entity for 340B drugs at a rate lower than that paid for the same  
534 drug to entities that are not 340B entities or lower reimbursement for a claim on the basis that the  
535 claim is for a 340B drug.

536 (ii) Impose any terms or conditions on any 340B entity with respect to any of the  
537 following that differ from such terms or conditions applied to non-340B entities on the basis that  
538 the entity participates in the federal 340B drug discount program set forth in 42 U.S.C.256b or  
539 that a drug is a 340B drug including, without limitation, any of the following:

540 A. Fees, charges, clawbacks, or other adjustments or assessments. For purposes of this  
541 Subsection, the term “other adjustment” includes placing any additional requirements,  
542 restrictions, or unnecessary burdens upon the 340B entity that results in administrative costs or  
543 fees to the 340B entity that are not placed upon other entities that do not participate in the 340B  
544 drug discount program, including affiliate pharmacies of the health insurance issuer, pharmacy  
545 benefit manager, or other third-party payor.

546 B. Dispensing fees that are less than the dispensing fees for non-340B entities.

547 C. Restrictions or requirements regarding participation in standard or preferred pharmacy  
548 networks.

549 D. Restrictions or requirements regarding participation in standard or preferred pharmacy  
550 network.

551 E. Requirements that a claim for a drug include any identification, billing modifier,  
552 attestation, or other indication that a drug is a 340B drug in order to be processed or resubmitted  
553 unless it is required by the United States Department of Health and Human Services, Centers for

554 Medicare and Medicaid Services, the executive office of health and human services, or the  
555 division of medical assistance.

556 F. Any other restrictions, conditions, practices, or policies that are not imposed on non-  
557 340B entities.

558 (iii) Require a 340B entity to reverse, resubmit, or clarify a claim after the initial  
559 adjudication unless these actions are in the normal course of pharmacy business and not related  
560 to 340B drug pricing.

561 (iv) Discriminate against a 340B entity in a manner that prevents or interferes with any  
562 patient's choice to receive such drugs from the 340B entity, including the administration of such  
563 drugs. For purposes of this subsection, it is considered a discriminatory practice that prevents or  
564 interferes with a patient's choice to receive drugs at a 340B entity if a health insurance issuer,  
565 pharmacy benefit manager, or other third-party payor places any additional requirements,  
566 restrictions, or unnecessary burdens upon the 340B entity that results in administrative costs or  
567 fees to the 340B entity, including but not limited to requiring a claim for a drug to include any  
568 identification, billing modifier, attestation or other indication that a drug is a 340B drug in order  
569 to be processed or resubmitted unless it is required by the United States Department of Health  
570 and Human Services, Centers for Medicare and Medicaid Services, the executive office of health  
571 and human services, or the division of medical assistance.

572 (v) Require a 340B entity to submit any claims, utilization, patient, or other data as a  
573 condition for allowing the acquisition of a 340B drug by, or delivery of a 340B drug to, a 340B  
574 entity unless the data is required by the United States Department of Health and Human Services,

575 Centers for Medicare and Medicaid Services, the executive office of health and human services,  
576 or the division of medical assistance.

577 (vi) Include any other provision in a contract between a health insurance issuer, pharmacy  
578 benefit manager, or other third-party payor and a 340B entity that discriminates against the 340B  
579 entity or prevents or interferes with an individual's choice to receive a prescription drug from a  
580 340B entity, including the administration of the drug, in person or via direct delivery, mail, or  
581 other form of shipment, or creation of a restriction or additional charge on a patient who chooses  
582 to receive drugs from a 340B entity.

583 (vii) Require or compel the submission of ingredient costs or pricing data pertaining to  
584 340B drugs to any health insurance issuer, pharmacy benefit manager, or other third party payor.

585 (viii) Exclude any 340B entity from the health insurance issuer, pharmacy benefit  
586 manager, or other third party payor network on the basis that the 340B entity dispenses drugs  
587 subject to an agreement under 42 U.S.C.256b, or refusing to contract with a 340B entity for  
588 reasons other than those that apply equally to non-340B entities.

589 (ix) Nothing in this section applies to the division of medical assistance as payor when  
590 Medicaid provides reimbursement for covered outpatient drugs as defined in 42 U.S.C. 1396r-  
591 8(9k)).

592 (c) With respect to manufacturing or distribution of drugs related to 340B entities:

593 (i) A manufacturer or distributor shall not deny, restrict, prohibit, or otherwise interfere  
594 with, either directly or indirectly, the acquisition of a 340B drug by, or delivery of a 340B drug  
595 to, a pharmacy that is under contract with a 340B entity and is authorized under such contract to

596 receive and dispense 340B drugs on behalf of the covered entity unless such receipt is prohibited  
597 by the United States Department of Health and Human Services.

598 (ii) A manufacturer or distributor shall not interfere with a pharmacy contracted with a  
599 340B entity.

600 (iii) A manufacturer or distributor shall not require a 340B entity to submit any claims,  
601 utilization, patient, or other data as a condition for allowing the acquisition of a 340B drug by, or  
602 delivery of a 340B drug to, a 340B entity unless the data is required by the United States  
603 Department of Health and Human Services.