

**SENATE . . . . . No. 779**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Jason M. Lewis*

*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:

*Jason M. Lewis*

DISTRICT/ADDRESS:

*Fifth Middlesex*

**SENATE . . . . . No. 779**

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By Mr. Lewis, a petition (accompanied by bill, Senate, No. 779) of Jason M. Lewis for legislation to protect 340B providers in the drug discount program. Financial Services.

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**The Commonwealth of Massachusetts**

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**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 1. Chapter 32A of the General Laws, as appearing in the 2022 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 340B entity unless the data is required by the United States  
97 Department of Health and Human Services.

98 SECTION 2. Chapter 175 of the General Laws, as so appearing, is hereby amended by  
99 inserting after section 47UU, the following new section:-

100 Section 47VV.

101 (a) For purposes of this section:

102 (1) “340B drug” shall mean a drug that has been subject to any offer for reduced prices  
103 by a manufacturer pursuant to 42 U.S.C. 256b and is purchased by a covered entity as defined by  
104 42 U.S.C. 256b(a)(4).

105 (2) “340B entity” shall mean an entity participating or authorized to participate in the  
106 federal 340B drug discount program, as defined by 42 U.S.C. 256b, including its pharmacy, or  
107 any pharmacy contracted with the participating entity to dispense drugs purchased through the  
108 340B drug discount program.

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

111 (4) “Third party” shall mean a group health plan, a health insurance issuer offering group  
112 or individual health insurance coverage, or a pharmacy benefit manager that reimburses a 340B  
113 covered entity for drugs. Third party includes Medicaid managed care organizations, employee  
114 benefit plans under the Employee Retirement Income Security Act of 1974, or Medicare Part C

115 or D plans. Third party does not include drugs reimbursed under Medicaid fee-for-service or a  
116 self-pay patient.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

199 SECTION 3. Chapter 176A of the General Laws, as so appearing, is hereby amended by  
200 inserting after section 39, the following new section:-

201 Section 40.

202 (a) For purposes of this section:

203 (1) “340B drug” shall mean a drug that has been subject to any offer for reduced prices  
204 by a manufacturer pursuant to 42 U.S.C. 256b and is purchased by a covered entity as defined by  
205 42 U.S.C. 256b(a)(4).

206 (2) “340B entity” shall mean an entity participating or authorized to participate in the  
207 federal 340B drug discount program, as defined by 42 U.S.C. 256b, including its pharmacy, or  
208 any pharmacy contracted with the participating entity to dispense drugs purchased through the  
209 340B drug discount program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

300 SECTION 4. Chapter 176B of the General Laws, as so appearing, is hereby further  
301 amended by inserting after section 26 the following new section: -

302 Section 27.

303 (a) For purposes of this section:

304 (1) “340B drug” shall mean a drug that has been subject to any offer for reduced prices  
305 by a manufacturer pursuant to 42 U.S.C. 256b and is purchased by a covered entity as defined by  
306 42 U.S.C. 256b(a)(4).

307 (2) “340B entity” shall mean an entity participating or authorized to participate in the  
308 federal 340B drug discount program, as defined by 42 U.S.C. 256b, including its pharmacy, or  
309 any pharmacy contracted with the participating entity to dispense drugs purchased through the  
310 340B drug discount program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

401 SECTION 5. Chapter 176G of the General Laws, as so appearing, is hereby further  
402 amended by inserting after section 34 the following new section:-

403 Section 35.

404 (a) For purposes of this section:

405 (1) “340B drug” shall mean a drug that has been subject to any offer for reduced prices  
406 by a manufacturer pursuant to 42 U.S.C. 256b and is purchased by a covered entity as defined by  
407 42 U.S.C. 256b(a)(4).

408 (2) “340B entity” shall mean an entity participating or authorized to participate in the  
409 federal 340B drug discount program, as defined by 42 U.S.C. 256b, including its pharmacy, or  
410 any pharmacy contracted with the participating entity to dispense drugs purchased through the  
411 340B drug discount program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

502 SECTION 6. Chapter 176I of the General Laws, as so appearing, is hereby amended by  
503 inserting after section 14 the following new section: -

504 Section 15.

505 (a) For purposes of this section:

506 (1) “340B drug” shall mean a drug that has been subject to any offer for reduced prices  
507 by a manufacturer pursuant to 42 U.S.C. 256b and is purchased by a covered entity as defined by  
508 42 U.S.C. 256b(a)(4).

509 (2) “340B entity” shall mean an entity participating or authorized to participate in the  
510 federal 340B drug discount program, as defined by 42 U.S.C. 256b, including its pharmacy, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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