SENATE DOCKET, NO. 2318 FILED ON: 1/17/2025

SENATE . . . . . No. 848

The Commonwealth of Massachusetts

PRESENTED BY:

John J. Cronin

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 relating to covered entity reporting to increase accountability to safeguard benefit for vulnerable patients.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
John J. Cronin	*Worcester and Middlesex*

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SENATE . . . . . No. 848

By Mr. Cronin, a petition (accompanied by bill, Senate, No. 848) of John J. Cronin for legislation to require all covered entities to file an annual report to the Center for Health Information and Analysis to increase accountability to safeguard benefit for vulnerable patients. Health Care Financing.

The Commonwealth of Massachusetts

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

An Act relating to covered entity reporting to increase accountability to safeguard benefit for vulnerable patients.

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

SECTION 1. Chapter 12C of the General laws is hereby amended by inserting after section 9, the following new section:-

Section 9A.

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

(1) "340B program," means the federal drug pricing program described in 42 U.S.C. 256b.

(2) "Center for Health Information and Analysis," the center established by the provisions of section 2 of this chapter.

(3) "Charity care," the term in line 23 of worksheet S–10 to the Medicare cost report or in any successor form.

(4) “Contract pharmacy,” a pharmacy with which a covered entity has contracted to dispense covered outpatient drugs on behalf of the covered entity to patients of the covered entity, whether distributed in person, via mail, or by other means.

(5) “Covered entity,” a covered entity as defined in 42 U.S.C. 256b(a)(4).

(6) “Covered outpatient drug,” a covered outpatient drug, as defined in 42 U.S.C. 1396r-8(k)(2), that has been subject to any offer for reduced prices by a manufacturer pursuant to 42 U.S.C. 256(b)(a)(1), and is purchased by a covered entity.

(b) Beginning on [April 1, 2026], each covered entity shall annually report to the Center for Health Information and Analysis, in a form and manner determined by the center, the following information about the prior year regarding the covered entity and each offsite outpatient facility associated with the covered entity:

(1) Delineated by form of insurance or payor type, including but not limited to Medicaid, Medicare, commercial insurance, and uninsured:

(i) Aggregate acquisition cost paid for all covered outpatient drugs;

(ii) Aggregated payments received by insurers or payors for all covered outpatient drugs; and

(iii) Total number of prescriptions and percentage of the covered entity’s prescriptions that were filled with covered outpatient drugs;

(2) Total operating costs of the covered entity, including itemized costs for:

(i) Implementing direct pass through of 340B program discounts to patients of the covered entity in the form of lower cost sharing for covered outpatient drugs at the point of dispensing or administration;

(ii) Implementing a sliding fee scale for covered outpatient drugs at the point of sale for patients with incomes less than 200% of the Federal Poverty Guidelines; and

(iii) Charity care;

(3) Total payments made by the covered entity or any agent of the covered entity to:

(i) Contract pharmacies for 340B program-related services and other functions;

(ii) Third-party administrators for managing any components of the covered entity's 340B program; and

(iii) Any other third parties in connection with 340B program-related compliance, legal, educational, and/or administrative costs;

(4) Total number of contract pharmacies, and:

(i) Number of contract pharmacies located out-of-state and the states in which such out-of-state contract pharmacies are located;

(ii) Total number of prescriptions and orders for covered outpatient drugs filled by the covered entity and by each offsite outpatient facility associated with the covered entity, and the percentage of such prescriptions or orders that were filled at contract pharmacies, delineated by in-state and out-of-state contract pharmacies;

(iii) Total remuneration paid to or retained by contract pharmacies or their affiliates for any 340B program-related services performed on behalf of the covered entity and each offsite outpatient facility associated with the covered entity; and

(iv) The percentage change in remuneration described in subsection [(b)(4)(iii)] for the prior year compared to the year before that.

(c) An officer of the covered entity shall certify the completeness and accuracy of the report submitted pursuant to subsection (b).

(d) The Center for Health Information and Analysis post all reports submitted by covered entities pursuant to subsection (b) on a publicly accessibly website.

SECTION 2. This act shall take effect upon its passage.