

SENATE No.

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:

John J. Cronin

DISTRICT/ADDRESS:

Worcester and Middlesex

SENATE No.

[Pin Slip]

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:

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

3 Section 9A.

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

5 (1) “340B program,” means the federal drug pricing program described in 42 U.S.C.
6 256b.

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

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

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

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

15 (6) “Covered outpatient drug,” a covered outpatient drug, as defined in 42 U.S.C. 1396r-
16 8(k)(2), that has been subject to any offer for reduced prices by a manufacturer pursuant to 42
17 U.S.C. 256(b)(a)(1), and is purchased by a covered entity.

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

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

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

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

26 and

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

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

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

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

35 (iii) Charity care;

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

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

38 (ii) Third-party administrators for managing any components of the covered entity's
39 340B program; and

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

42 (4) Total number of contract pharmacies, and:

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

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

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

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

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

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

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