

**JOINT COMMITTEE ON FINANCIAL SERVICES
2025-2026 (194th) BILL SUMMARY**

Bill No: H785

Title: AN ACT PROTECTING 340B CONTRACT PHARMACIES

Sponsor: Rep. Brian W. Murray (*Milford*)

Hearing Date: June 10, 2025

Reporting Deadline: August 9, 2025

Prior History: None

Similar Matters: H1107 (Cahill); H1274 (Murray); H1296 (Reid); S779 (Lewis); S819 (Payano)

CURRENT LAW:

M.G.L. c. 93A Regulation of Business Practices for Consumers Protection § 11 Persons engaged in business; actions for unfair trade practices; class actions; damages; injunction; costs

Chapter 82 of the Acts of 2019, An Act relative to hospital access to discounted prescription drug prices § 1

Adds a new section to *M.G.L. c. 118E Division of Medical Assistance (MassHealth)* prohibiting the health and human services secretary from restricting or limiting an eligible hospital's access to the discounted purchase of prescription drugs to the full extent permitted under *section 340B of the Public Health Service Act*, as codified under *42 U.S.C. 256b* unless the secretary provides, not less than 180 days before the proposed effective date of the limitation or restriction: (i) notice to eligible hospitals of the proposed restriction or limitation; and (ii) a report with the joint committee on health care financing and the senate and house committees on ways and means detailing: (A) the proposed restriction or limitation; (B) the anticipated aggregate savings to the commonwealth; (C) the estimated fiscal impact of the restriction or limitation on each affected hospital; and (D) the manner in which the secretary plans to mitigate the fiscal impact, which may include measures to maintain savings already achieved by providers under *42 U.S.C. 256b*.

21 U.S.C. § 355-1 Risk evaluation and mitigation strategies

42 U.S.C. § 256b Limitation on prices of drugs purchased by covered entities

Allows certain healthcare providers, hospitals and non-hospital entities that receive meet certain criteria and receive federal funding, such as federally qualified health centers, to purchase outpatient drugs at significantly reduced prices through what is referred to as the 340B program.

Section 1927(k) of the Social Security Act.

A manufacturer is an entity engaged in the production, preparation, propagation, compounding, conversion, or processing of prescription drug products, either directly or indirectly, including entities involved in the packaging, repackaging, labeling, relabeling, or distribution of these

products, excluding wholesale distributors of drugs and retail pharmacies licensed under state law.

SUMMARY:

Section 1. Title

This act will be known as “An Act protecting 340B contract pharmacies.”

Section 2. Definitions

“340B drug” means a drug that a 340B entity may purchase at a reduced price pursuant to *42 U.S.C. § 256b*.

“340B entity” means an entity authorized to participate in the federal 340B drug discount program, as described in *42 U.S.C. § 256b(a)(4)*.

“Manufacturer” has the meaning given the term in *section 1927(k) of the Social Security Act*.

Section 3. Prohibition of Certain Discriminatory Actions by a Manufacturer or Distributor
Drug manufacturers, distributors and third-party logistics providers will be prohibited from denying, restricting, or prohibiting the acquisition of a 340B drug by or to any location authorized by a 340B entity, unless required by federal law.

Drug manufacturers, distributors and third-party logistics providers will be prohibited from requiring 340B entity to submit claims or utilization data as a condition for allowing the acquisition of a 340B drug acquisition, unless required by federal law.

Section 4. Violations

Any violation of this act by a manufacturer or distributor or third-party logistics provider of a manufacturer’s drugs will constitute an unfair and or deceptive business violation under *section 11 of the Massachusetts Consumer Protection Act, M.G.L. c. 93A*.

Section 5. Federal Preemption

Nothing in this chapter will be construed or applied to conflict with federal law and related regulations, including *21 U.S.C. § 355-1*, or other laws of this state.

Section 6. Severability

If any provision or item of this act, or its application, is held invalid, such invalidity will not affect any other provision, item, or application of the act.

Section 7. Effective Date

This act will become effective upon enactment.