

## **Joint Committee on Health Care Financing 2025-2026 (194th) Bill Summary**

<b><u>Bill Number:</u></b>	House, No. 779
<b><u>Title:</u></b>	AN ACT TO PROTECT 340B PROVIDERS IN THE MASSHEALTH PROGRAM
<b><u>Sponsor:</u></b>	Representative Kate Lipper-Garabedian (Melrose)
<b><u>Hearing Date:</u></b>	July 15, 2025
<b><u>Reporting Deadline:</u></b>	September 13, 2025
<b><u>Prior History:</u></b>	New Bill
<b><u>Similar Matters:</u></b>	S845 (Crighton – Identical, Health Care Financing)

### **Current Law:**

**M.G.L. Chapter 118E § 13L** prevents the Secretary of Health and Human Services from restricting or limiting eligible hospitals' access to discounted prescription drugs under the federal 340B Drug Pricing Program unless specific conditions are met. At least 180 days before any proposed restriction, the Secretary must provide notice to affected hospitals and submit a detailed report to legislative committees. The report must outline the proposed restriction, anticipated cost savings for the state, the financial impact on each affected hospital, and plans to mitigate any negative effects, including preserving existing savings for providers.

**Section 340B of the Public Health Service Act** is a federal law that provides discounted drugs to eligible covered entities (i.e., federally qualified health centers (FQHCs)).

### **Summary:**

This proposed law amends section 13L of chapter 118E by adding new restrictions on state actions that could limit an eligible hospital's reimbursement or coverage for 340B drugs when provided to MassHealth members. While the current law requires notice and a report before imposing any limitations, the legislation further prohibits the secretary of health and human services from taking actions—either directly or through managed care entities—that would restrict reimbursement for 340B drugs, except in specific cases. These exceptions include up to 25 high-cost drugs (each exceeding \$100,000 per user annually) and seven GLP-1 Agonist drugs, which became restricted from reimbursement under 340B starting July 1, 2024.