EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES
COMMONWEALTH OF MASSACHUSETTS
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May 5, 2023

Chair Michael J. Rodrigues
Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133

Chair Aaron Michlewitz
House Committee on Ways and Means
State House, Room 243
Boston, MA 02133

Chair Cindy Friedman
Joint Committee on Health Care Financing
State House, Room 313
Boston, MA 02133

Chair John Lawn
Joint Committee on Health Care Financing
State House, Room 236
Boston, MA 02133

Dear Chairs Rodrigues, Michlewitz, Friedman, and Lawn,

Enclosed is a 340B/High-Cost Drugs Impact Report, which is required by chapter 118E section 13L of the Massachusetts General Laws. At least 180 days before any restriction or limitation is implemented on an eligible hospital's access to the discounted purchase of prescription drugs to the full extent permitted under section 340B of the federal Public Health Service Act, as codified under 42 U.S.C. § 256b, the Secretary of Health and Human Services is required to submit a report to 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 said 42 U.S.C. § 256b.

The MassHealth program intends to limit payment for eleven drugs when purchased through the 340B Drug Pricing Program to allow the Commonwealth to benefit from value-based contracts entered into by MassHealth. MassHealth will continue to pay for these eleven drugs for MassHealth members when purchased outside of the 340B Drug Pricing Program, and this policy will therefore not impact MassHealth member access to these drugs, or the ability of hospitals to receive payment for these drugs when purchased through the 340B Drug Pricing

Program and provided to non-MassHealth patients. This report details the proposed limitation and its anticipated fiscal impact and mitigation.

I hope you find this document useful and informative. Please feel free to contact Sarah Nordberg, Legislative Affairs Manager, at Sarah.Nordberg@mass.gov if you have any questions about the report.

Sincerely,



Mike Levine
Assistant Secretary for MassHealth

cc: Kathleen E. Walsh