

340B Contract Pharmacy Protection Act

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Section 1. Title

This act shall be known as and may be cited as the “340B Contract Pharmacy Protection Act.”

Section 2. Definitions

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

- (A) A manufacturer, an agent or affiliate of such manufacturer, or distributor or third-party logistics provider of a manufacturer’s drugs, shall not, directly or indirectly, deny, restrict, or prohibit the acquisition of a 340B drug by, or delivery of a 340B drug to, any location authorized by a 340B entity to receive such 340B drug, unless receipt of the 340B drug is prohibited by federal law.
- (B) A manufacturer, an agent or affiliate of such manufacturer, or distributor or third-party logistics provider shall not, either directly or indirectly, require a 340B entity to submit any claims or utilization data as a condition for allowing the acquisition of a 340B drug by, or delivery of a 340B drug to, a 340B entity unless the claims or utilization data sharing is required by federal law.

Section 4. Violations

- (A) A violation of any provision of this Act by a manufacturer or distributor or third-party logistics provider of a manufacturer’s drugs constitutes a violation of the [insert reference

to state law prohibiting unfair or deceptive acts or practices or similar actions] and shall subject the violator to [insert penalties described in state law].

(B) Each package of 340B drugs determined to be subject to a prohibited act under Section 3 constitutes a separate violation under this section.

Section 5. Federal Preemption

(A) Nothing in this Chapter is to be construed or applied to be in conflict with federal law and related regulations, including 21 U.S.C. § 355-1, or other laws of this state, if the state law is compatible with applicable federal law.

Section 6. Severability

The individual provisions of this Act are severable. If any provision or item of this Act, or the application thereof, is held invalid, such invalidity shall not affect any other provision, item, or application of the Act which can be given effect without the invalid provision, item, or application.

Section 7. Effective Date

This Act shall become effective upon being enacted into law.