|          | PHARMACY BENEFIT AMENDMENTS   |
|----------|---|
|          | 2021 GENERAL SESSION  |
|          | STATE OF UTAH   |
|          | Chief Sponsor: Evan J. Vickers  |
|          | House Sponsor:  |
| LONG     | TITLE   |
| Genera   | l Description:  |
| ,        | This bill amends provisions relating to pharmacies that are operated by or contract with                |
| a federa | ally qualified health center.   |
| Highlig  | thted Provisions:   |
| ,        | This bill:  |
|          | <ul><li>defines terms; and</li></ul>  |
|          | <ul> <li>prohibits certain actions by a pharmacy benefit manager or third party with respect</li> </ul> |
| to a fed | erally qualified health center that participates in the 340B discount drug                              |
| program  | 1.  |
| Money    | Appropriated in this Bill:  |
| -        | None  |
| Other S  | Special Clauses:  |
| -        | None  |
| Utah C   | ode Sections Affected:  |
| ENACT    | TS:   |
|          | <b>31A-46-310</b> , Utah Code Annotated 1953  |
| Be it en | acted by the Legislature of the state of Utah:  |
| ;        | Section 1. Section <b>31A-46-310</b> is enacted to read:  |
|          | 31A-46-310. Prohibited actions with respect to a federally qualified health center.                     |



S.B. 140 01-27-21 11:22 AM

| 28 | (1) As used in this section, "federally qualified health center":                             |  |
|----|---|--|
| 29 | (a) means the same as that term is defined in 42 U.S.C. Sec. 1395x(aa)(4); and                |  |
| 30 | (b) includes the pharmacy or pharmacies that are operated by or contract with a               |  |
| 31 | federally qualified health center described in Subsection (1)(a) to dispense drugs purchased  |  |
| 32 | through the federally qualified health center.  |  |
| 33 | (2) This section applies to a contract entered into or renewed on or after January 1,         |  |
| 34 | 2022, between an insurer and a pharmacy described in Subsection (1)(b).                       |  |
| 35 | (3) An insurer may not vary the amount that the insurer reimburses to a federally             |  |
| 36 | qualified health center for a drug on the basis of whether:                                   |  |
| 37 | (a) the drug is a 340B drug; or   |  |
| 38 | (b) the pharmacy is a 340B entity.  |  |
| 39 | (4) Subsection (3) does not apply to a drug reimbursed, directly or indirectly, by the        |  |
| 40 | Medicaid program.   |  |
| 41 | (5) An insurer or an insurer's pharmacy service entity may not:                               |  |
| 42 | (a) on the basis that a federally qualified health center participates, directly or through a |  |
| 43 | contractual arrangement, in the 340B drug discount program:                                   |  |
| 44 | (i) assess a fee, charge-back, or other adjustment on a federally qualified health center;    |  |
| 45 | (ii) restrict access to the insurer's pharmacy network;                                       |  |
| 46 | (iii) require the federally qualified health center to enter into a contract with a specific  |  |
| 47 | pharmacy to participate in the insurer's pharmacy network;                                    |  |
| 48 | (iv) create a restriction or an additional charge on a patient who chooses to receive         |  |
| 49 | drugs from a federally qualified health center; or  |  |
| 50 | (v) create any additional requirements or restrictions on the federally qualified health      |  |
| 51 | center; or  |  |
| 52 | (b) require a claim for a drug to include a modifier to indicate that the drug is a 340B      |  |
| 53 | drug unless the claim is for payment, directly or indirectly, by the Medicaid program.        |  |