Bill Summary 2nd Session of the 59th Legislature

> Bill No.: Version: Request No.: Author: Date:

SB 1628 FS 3607 Sen. Howard 03/11/2024

Bill Analysis

SB 1628 prohibits any pharmacy benefits manager (PBM) from discriminating or imposing separate terms upon a provider on the basis that a provider participates in 340B drug pricing. The measure further restricts PBMs from imposing terms and conditions on any 340B entity that differs from non-340B entities with respect to charges, clawbacks, dispensing fees, restrictions or requirements regarding participation in standard or preferred pharmacy networks, requirements relating to the frequency or scope of audits of inventory management systems, and other restrictions. PBMs may not require 340B entities to reverse, resubmit, or clarify a claim after the initial adjudication unless these actions are in the normal course of pharmacy business. PBMs are prohibited from interfering with an individual's ability to receive a prescription drug from a 340B entity. The measure also prohibits any manufacturer from discriminating against or withholding 340B drug pricing for a drug purchased by a 340B entity. Manufacturers may not prohibit a pharmacy from contracting or participating with a 340B entity. The measure authorizes the Insurance Commissioner to censure, suspend, revoke, or refuse to issue or renew a license of or levy a civil penalty against any licensed insurer for any violation relating to this measure. Persons found to have violated the provisions of this measure may be subject to a \$100.00-\$10,000.00 fine for each violation.

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