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Connecticut is the latest state to have a 340B contract pharmacy bill introduced this legislative session.

### Connecticut, Minnesota Join 20 Other States with 340B Contract Pharmacy Bills Introduced This Session

March 21, 2024

William Newton (https://340breport.com/author/william978046/) Washington Correspondent

A Connecticut state senate committee this week amended a bill to add provisions barring drugmaker 340B contract pharmacy restrictions in the state.

Meanwhile, a Minnesota state lawmaker introduced legislation that also would bar drugmaker contract pharmacy restrictions. Both the Connecticut and Minnesota legislatures also are considering bills that would either implement or expand on existing 340B provider reporting requirements.



(https://www.maxor.com/how-coastalbendwellness-foundation-expanded-care-for-their-community/)

### **Connecticut Bill**

On March 19, the Connecticut Senate Human Services Committee, approved a bill, S.B.8 (https://340breport.com/wp-content/uploads/2024/03/Connecticut-S.B.8-03.19.2024.pdf), with new language that would bar drug manufacturers from interfering with the acquisition or delivery of 340B drugs to covered entities and their contract pharmacies in the state. It also would prohibit drugmakers from requiring claims or data submission as a condition for accessing 340B drugs.

On March 20, S.B.8 was referred to the Legislative Commissioner's Office, which will check it for constitutionality and consistency with other laws. The bill must then go through a fiscal analysis before it is referred to the clerk and can be scheduled for a floor vote.

S.B.8 was first proposed Feb. 7 with the stated intention "to make prescription drugs affordable for Connecticut residents," but it did not include any 340B provisions. That proposed bill was referred to the Connecticut Joint Committee on Human Services, which voted on Feb. 15 to draft a full bill. In Connecticut, bills are first proposed as ideas before a committee can elect to draft the bill in legal language.

The joint committee released a 25-page draft of S.B.8 on March 7, which also did not include 340B contract pharmacy provisions. The committee then held a March 12 public hearing on the bill, and it approved on March 19 a new version of S.B.8 that added language to bar drugmaker 340B contract pharmacy restrictions.

The Community Health Center Association of Connecticut (CHC/ACT) supports S.B.8 as amended, said Shawn Frick, CEO of CHC/ACT. "We are encouraged by the committee's actions to protect access to 340B medications, which can be a lifesaver for health center patients," he said.

Paul Kidwell, senior vice president of policy at the Connecticut Hospital Association, said, "We support the newly added provisions of S.B.8 as they support preserving the benefits of the 340B program for patients in vulnerable communities throughout our state."

Previously, the Connecticut Senate Public Health Committee introduced a bill, S.B.241, that would require 340B providers to annually report to the state government (https://340breport.com/soon-after-governor-proposes-340b-provider-reporting-legislation-connecticut-senate-introduces-similar-bill/) detailed information

on their 340B drug savings, including acquisition costs and aggregate payments received. The bill's reporting requirements were identical to those of a legislative proposal released (https://340breport.com/connecticut-governor-proposes-340b-provider-reporting-legislation-faces-pushback-from-health-centers/) in early February alongside Connecticut Gov. Ned Lamont's (D) fiscal year 2025 budget.

During a March 1 public hearing on S.B.241, multiple providers and provider groups —including CHA, Yale New Haven Health System, and Stamford Health—opposed the bill, while two representatives from a state health department supported the bill. CHC/ACT was neutral on the bill. No further action has been taken on S.B.241.

### Minnesota Bill

On March 18, Minn. Rep. Dave Liselgard (D) introduced a bill, H.F.4991 (https://340breport.com/wp-content/uploads/2024/03/Minnesota-H.F.4991-03.18.2024.pdf), that would prohibit drug manufacturers from interfering with the acquisition or delivery of 340B drugs to covered entities and their contract pharmacies in the state. H.F.4991 was referred to the Minnesota House Commerce and Finance Policy Committee and scheduled for a March 22 hearing. Liselgard does not sit on that committee.

The Minnesota Association of Community Health Centers (MNACHC) "supports H.F.4991 in order to safeguard against further erosion of pharmacy services for our patients," said Rochelle Westlund, director of public policy at MNACHC.

"Contract pharmacies are key access points for health center patients, particularly in rural areas of Minnesota where patients travel great distances to access life-saving medications," Westlund said. "All of Minnesota's health centers contract with at least one pharmacy to address geographic access and transportation barriers our patients experience."

The Minnesota Hospital Association did not respond to a request for comment on the bill.

H.F.4991 was introduced shortly after Minnesota lawmakers introduced companion bills (https://340breport.com/minnesota-lawmakers-introduce-more-expansive-340b-provider-reporting-bills/), S.F.4861 and H.F.4755, that would expand on the state's existing 340B covered entity reporting requirements. Minnesota enacted one of the first state 340B reporting laws in May 2023, and providers at the time said

they were "shocked" at their last-minute inclusion (https://340breport.com/minnesota-imposes-nations-first-340b-covered-entity-reporting-requirements/) in a budget bill.

Both proposed bills would require all state providers to additionally report aggregated expenses for 340B program administration and payments made to any non-pharmacy entity. They also would, for the first time, require \$500 daily fines for 340B providers non-compliant with data submission requirements. The first data submissions for the existing law are due (https://340breport.com/minnesota-finalizes-340b-provider-reporting-rules-data-submission-to-start-april-1/) by April 1.

The Minnesota Senate Health and Human Services Committee approved S.F.4861 on March 14, and the bill was referred to the Senate State and Local Government and Veterans Committee. Sen. Melissa Wiklund (D), who introduced the bill, is chair of the Senate Health and Human Services Committee.

Meanwhile, H.F.4755 is still before the Minnesota House Health Finance and Policy Committee. Rep. Tina Liebling (D), who introduced the bill, is chair of that committee.

### **State 340B Legislative Activity**

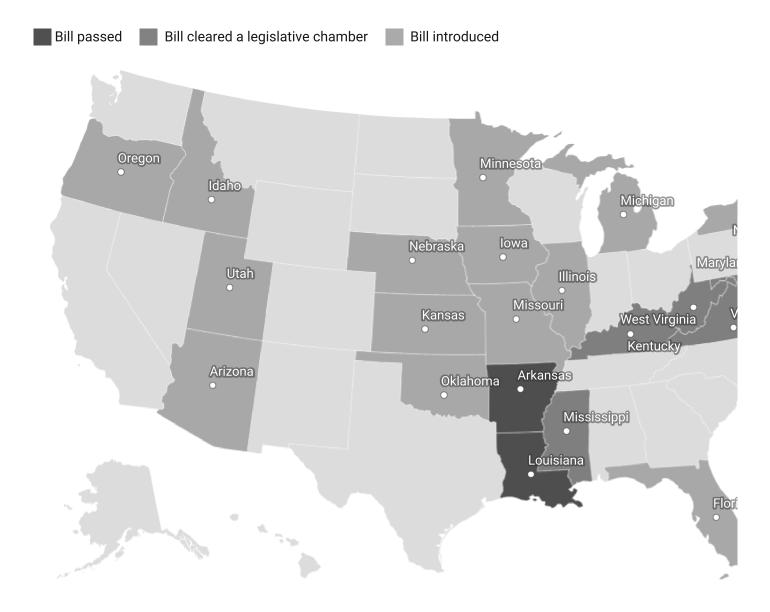
Including Connecticut and Minnesota, 22 states have introduced a contract pharmacy bill this legislative session. In six of those states, contract pharmacy legislation has past at least one legislative chamber. Bills in Virginia (https://340breport.com/virginia-legislature-passes-340b-contract-pharmacy-bill/) and West Virginia (https://340breport.com/west-virginia-kentucky-legislative-chambers-pass-340b-contract-pharmacy-bills-hospital-group-demands-tv-stations-remove-ad/) have passed both chambers and await a decision from the governor.

Arkansas (https://340breport.com/arkansas-looks-to-amend-temporary-contract-pharmacy-agreement-with-novo-nordisk/) and Louisiana (https://340breport.com/no-louisiana-move-to-investigate-or-enforce-its-340b-contract-pharmacy-law-ag-tells-federal-judge/) are the only two states to enact 340B contract pharmacy laws. The U.S. 8<sup>th</sup> Circuit Court of Appeals upheld Arkansas' law (https://340breport.com/in-key-decision-that-could-have-national-implications-federal-appellate-court-upholds-arkansas-340b-contract-pharmacy-protection-law/) on March 12, and the Louisiana law remains subject to multiple ongoing legal challenges from the drug industry.

In response to the laws in place in Arkansas and Louisiana, at least thirteen drugmakers have exempted Arkansas providers from their contract pharmacy restrictions, and at least seven have done so in Louisiana. An Arkansas state official told 340B Report that the state plans to imminently move forward with additional enforcement (https://340breport.com/imminent-enforcement-of-arkansas-340b-contract-pharmacy-law-to-follow-court-decision-upholding-it/) actions after the 8<sup>th</sup> Circuit decision.

Amid the increased 340B state legislative activity, 340B Report has compiled a tracker of its latest coverage of 340B contract pharmacy bill activity in the current legislative session and bills previously enacted.

## **Legislation Tracker: 2023-2024 State Bills and Laws that Prohibit Drugmaker 340B Contract Pharmacy Restrictions**



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Map: updated as of March 20, 2024 • Created with Datawrapper

Editors' note: The original version of this article incorrectly stated CHA/ACT's position on S.B241 as stated during a March 1 public hearing. CHA/ACT's position on the bill was neutral. We apologize for the error.



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