

COMMITTEE ON GOVERNMENT & ELECTIONS
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1176
(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Title 20, chapter 25, Arizona Revised Statutes, is
3 amended by adding article 3, to read:

4 ARTICLE 3. 340B PHARMACIES

5 20-3341. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "DRUG COVERAGE":

8 (a) MEANS ANY FORM OF COMPENSATION PAID TO A PHARMACY THAT DISPENSES
9 PRESCRIPTION DRUGS FOR A PATIENT UNDER A CONTRACTUAL OR OTHER LEGAL
10 OBLIGATION WITH A HEALTH INSURER OR PHARMACY BENEFIT MANAGER.

11 (b) DOES NOT INCLUDE EITHER OF THE FOLLOWING:

12 (i) COVERAGE PROVIDED PURSUANT TO TITLE 36, CHAPTER 29, ARTICLE 1.

13 (ii) ANY AMOUNTS PAID BY AN INDIVIDUAL ON HIS OR HER OWN BEHALF OR
14 ON BEHALF OF ANOTHER INDIVIDUAL WITHOUT A CONTRACTUAL OR LEGAL OBLIGATION
15 TO DO SO.

16 2. "HEALTH CARE PLAN" HAS THE SAME MEANING PRESCRIBED IN SECTION
17 20-3151.

18 3. "HEALTH INSURER" HAS THE SAME MEANING PRESCRIBED IN SECTION
19 20-242.

20 4. "THIRD PARTY" MEANS A HEALTH INSURER OR PHARMACY BENEFIT MANAGER
21 THAT PROVIDES OR MANAGES DRUG COVERAGE UNDER A HEALTH CARE PLAN.

1 5. "340B COVERED ENTITY" MEANS AN ENTITY THAT PARTICIPATES IN THE
2 340B DRUG DISCOUNT PROGRAM AUTHORIZED BY 42 UNITED STATES CODE SECTION
3 256b.

4 6. "340B DRUG" MEANS A DRUG PURCHASED BY A 340B COVERED ENTITY
5 THROUGH THE 340B DRUG DISCOUNT PROGRAM AUTHORIZED BY 42 UNITED STATES CODE
6 SECTION 256b.

7 20-3342. Applicability

8 A. THIS ARTICLE APPLIES TO THIRD PARTIES THAT PROVIDE OR MANAGE DRUG
9 COVERAGE UNDER A HEALTH CARE PLAN IN THIS STATE.

10 B. THIS ARTICLE DOES NOT APPLY TO THE ARIZONA HEALTH CARE COST
11 CONTAINMENT SYSTEM ADMINISTRATION AND ITS CONTRACTORS AS DEFINED IN SECTION
12 36-2901 TO THE EXTENT THE SERVICES ARE PROVIDED PURSUANT TO TITLE 36,
13 CHAPTER 29 OR 34 OR EQUIVALENT MEDICAID PROGRAMS FROM OTHER STATES.

14 20-3343. 340B drug program; 340B covered entities; pharmacies;
15 drug coverage

16 A. A THIRD PARTY THAT REIMBURSES FOR 340B DRUGS MAY NOT DO ANY OF
17 THE FOLLOWING:

18 1. REIMBURSE AT RATES FOR 340B DRUGS LOWER THAN THE RATES REIMBURSED
19 FOR THE SAME NON 340B DRUG AT A PHARMACY SIMILAR IN PRESCRIPTION VOLUME.

20 2. ASSESS ANY FEE, CHARGEBACK, CLAWBACK, ADJUSTMENT OR OTHER
21 ASSESSMENT ON THE BASIS THAT A DRUG IS A 340B DRUG.

22 3. RESTRICT ACCESS TO ANY OF THE THIRD PARTY'S PHARMACY NETWORKS ON
23 THE BASIS THAT THE PHARMACY DISPENSES 340B DRUGS.

24 4. REQUIRE THE 340B COVERED ENTITY TO ENTER INTO A CONTRACT WITH A
25 SPECIFIC PHARMACY OR HEALTH CARE PLAN TO PARTICIPATE IN THE THIRD PARTY'S
26 PHARMACY NETWORK.

27 5. ESTABLISH RESTRICTIONS OR ADDITIONAL CHARGES ON PATIENTS WHO
28 CHOOSE TO RECEIVE 340B DRUGS.

29 6. RESTRICT THE METHODS OR PHARMACIES BY WHICH A 340B COVERED ENTITY
30 MAY DISPENSE OR DELIVER 340B DRUGS.

31 7. REFUSE TO PROVIDE REIMBURSEMENT OR COVERAGE FOR 340B DRUGS.

1 8. ESTABLISH ADDITIONAL REQUIREMENTS OR RESTRICTIONS ONLY ON 340B
2 DRUGS.

3 B. WITH RESPECT TO A PATIENT WHO IS ELIGIBLE TO RECEIVE DRUGS
4 SUBJECT TO AN AGREEMENT UNDER 42 UNITED STATES CODE SECTION 256b, A
5 PHARMACY BENEFIT MANAGER OR OTHER THIRD PARTY THAT PAYS FOR THE DRUGS MAY
6 NOT DISCRIMINATE AGAINST A 340B COVERED ENTITY IN A MANNER THAT PREVENTS OR
7 INTERFERES WITH THE PATIENT'S CHOICE TO RECEIVE THE DRUGS FROM THE 340B
8 COVERED ENTITY OR THAT INTERFERES WITH THE ABILITY OF A COVERED ENTITY TO
9 MAXIMIZE THE VALUE OF DISCOUNTS PROVIDED UNDER THE 340B DRUG DISCOUNT
10 PROGRAM.

11 20-3344. Rules; penalties

12 THE DEPARTMENT SHALL ADOPT RULES TO IMPLEMENT THIS ARTICLE. THE
13 RULES SHALL SET FORTH PENALTIES, INCLUDING MONETARY PENALTIES, FOR
14 VIOLATIONS OF THIS ARTICLE AND THE RULES ADOPTED PURSUANT TO THIS ARTICLE.

15 20-3345. Unfair trade practice

16 A VIOLATION OF ANY PROVISION OF THIS ARTICLE BY A THIRD PARTY
17 CONSTITUTES AN UNFAIR OR DECEPTIVE ACT OR PRACTICE IN THE BUSINESS OF
18 INSURANCE UNDER THIS TITLE AND IS CONSIDERED VOID AND UNENFORCEABLE."

19 Amend title to conform

And, as so amended, it do pass

JOHN KAVANAGH
CHAIRMAN

1176GOVERNMENT ELECTIONS
03/23/2022
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C: SK; H: SJ/l's