

House Engrossed Senate Bill

~~tax credit review committee, meetings~~
(now: 340B drug program; prohibitions)

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

CHAPTER 288
SENATE BILL 1176

AN ACT

AMENDING TITLE 20, CHAPTER 25, ARIZONA REVISED STATUTES, BY ADDING
ARTICLE 3; RELATING TO PHARMACY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

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
9 DISPENSES PRESCRIPTION DRUGS FOR A PATIENT UNDER A CONTRACTUAL OR OTHER
10 LEGAL 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.

22 5. "340B COVERED ENTITY" MEANS AN ENTITY THAT PARTICIPATES IN THE
23 340B DRUG DISCOUNT PROGRAM AUTHORIZED BY 42 UNITED STATES CODE SECTION
24 256b.

25 6. "340B DRUG" MEANS A DRUG THAT IS PURCHASED BY A 340B COVERED
26 ENTITY THROUGH THE 340B DRUG DISCOUNT PROGRAM AUTHORIZED BY 42 UNITED
27 STATES CODE SECTION 256b AND THAT IS DISPENSED BY A PHARMACY.

28 20-3342. Applicability

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

31 B. THIS ARTICLE DOES NOT APPLY TO ANY OF THE FOLLOWING:

32 1. THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION
33 AND ITS CONTRACTORS AS DEFINED IN SECTION 36-2901 TO THE EXTENT THE
34 SERVICES ARE PROVIDED PURSUANT TO TITLE 36, CHAPTER 29 OR 34 OR EQUIVALENT
35 MEDICAID PROGRAMS FROM OTHER STATES.

36 2. THE DEPARTMENT OF HEALTH SERVICES TO THE EXTENT THE SERVICES ARE
37 PROVIDED UNDER THE AIDS DRUG ASSISTANCE PROGRAM.

38 3. ANY INDIVIDUAL OR ENTITY IDENTIFIED IN SECTION 36-2930.05.

39 20-3343. 340B drug program; 340B covered entities;
40 pharmacies; drug coverage

41 A. ALL CONTRACTS THAT ARE ISSUED, DELIVERED OR RENEWED ON OR AFTER
42 JANUARY 1, 2024 FOR A THIRD PARTY THAT REIMBURSES FOR 340B DRUGS SHALL NOT
43 DO ANY OF THE FOLLOWING:

44 1. DISCRIMINATE IN REIMBURSEMENT ON THE BASIS THAT THE PHARMACY
45 DISPENSES A 340B DRUG.

- 1 2. ASSESS ANY FEE, CHARGEBACK, CLAWBACK OR ADJUSTMENT ON THE BASIS
- 2 THAT A PHARMACY DISPENSES A 340B DRUG.
- 3 3. EXCLUDE A PHARMACY FROM A THIRD PARTY'S PHARMACY NETWORK ON THE
- 4 BASIS THAT THE PHARMACY DISPENSES A 340B DRUG.
- 5 4. RESTRICT THE METHODS OR PHARMACIES WITHIN A THIRD PARTY NETWORK
- 6 BY WHICH A 340B COVERED ENTITY MAY DISPENSE OR DELIVER 340B DRUGS.

APPROVED BY THE GOVERNOR JUNE 13, 2022.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 13, 2022.