



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature  
Second Regular Session

Senate: APPROP DP 10-0-0-0 | 3<sup>rd</sup> Read 28-0-2-0

House: GE DPA/SE 9-2-2-0 | 3<sup>rd</sup> Read 53-0-7-0

Final Pass: 24-2-4-0

**SB 1176: tax credit review committee; meetings**

**NOW: 340B drug programs; prohibitions**

**Sponsor: Senator Gowan, LD 14**

**Transmitted to the Governor**

**Overview**

Outlines certain prohibitions for a third party that reimburses for 340B drugs.

**History**

The 340B drug program was established by federal law in order to enable covered entities to stretch scarce federal resources as far as possible. Manufacturers that participate in Medicaid agree to provide outpatient drugs to covered entities at a significantly reduced price. The health care organizations and covered entities that are eligible to participate are defined in federal statute and include Health Resources and Services Administration supported health centers, children's hospitals and other safety net providers ([HRSA](#)).

**Provisions**

1. Applies the 340B third-party prohibitions to all contracts issues, delivered or renewed on or after January 1, 2024, to a third party that reimburses for 340B drugs. (Sec. 1)
2. Prohibits a third party that reimburses for 340B drugs from doing any of the following:
  - a) Discriminating in reimbursement on the basis that a pharmacy dispenses a 340B drug;
  - b) Assessing any clawback, fee, adjustment or chargeback on the basis that a pharmacy dispenses a 340B drug;
  - c) Excluding a pharmacy from a third party's pharmacy network on the basis that a pharmacy dispenses a 340B drug; or
  - d) Restricting the pharmacies or methods by which a 340B covered entity may dispense or deliver 340B drugs. (Sec. 1)
3. Exempts the following entities from the 340B third-party prohibitions:
  - a) The Arizona Health Care Cost Containment System (AHCCCS) and its contractors to the extent services are provided pursuant to statute relating to AHCCCS, behavioral health services or equivalent Medicaid programs from other states;
  - b) The Department of Health Services to the extent services are provided under the AIDS Drug Assistance Program; and
  - c) Any Individual or identity identified under the AHCCCS mandatory exclusion statute. (Sec. 1)
4. Specifies that the provisions apply to third parties providing or managing drug coverage under an Arizona health care plan. (Sec. 1)
5. Defines pertinent terms. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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