

Drug Distribution Amendments
 2026 GENERAL SESSION
 STATE OF UTAH
Chief Sponsor: Logan J. Monson
 Senate Sponsor:

LONG TITLE

General Description:

This bill amends provisions related to the 340B drug discount program.

Highlighted Provisions:

This bill:

- defines a 340B covered entity and a 340B eligible drug;
- clarifies prohibited actions under the 340B drug discount program;
- defines terms; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

31A-46-311, as enacted by Laws of Utah 2025, Chapter 514

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **31A-46-311** is amended to read:

31A-46-311 . Prohibited actions with respect to the 340B drug discount program.

(1) As used in this section[;] :

(a) "340B covered entity" means the same as the term "covered entity" is defined in 42 U.S.C. Sec. 256b(a)(4).

(b) "340B eligible drug" means a drug purchased through the 340B drug discount program, in accordance with 42 U.S.C. Sec. 256b, by a 340B covered entity.

(c) "Contracted pharmacy" means a pharmacy contracting with a 340B covered entity to dispense 340B eligible drugs.

(d) ["manufacturer"] "Manufacturer" means a pharmaceutical manufacturer, including an

31 agent or affiliate of a pharmaceutical manufacturer.

32 (e) "Pharmacy" means any place where drugs are dispensed.

33 (2) A manufacturer may not:

34 (a) directly or indirectly restrict or prohibit:

35 (i) a pharmacy from contracting with a 340B covered entity, including by denying the
36 pharmacy access to a drug that is manufactured by the manufacturer;

37 (ii) a 340B covered entity from contracting with a pharmacy, including by denying
38 the 340B covered entity access to a drug that is manufactured by the manufacturer;

39 (iii) the acquisition, dispensing, or delivery of a 340B eligible drug to any location
40 authorized by a 340B covered entity to receive the drug, unless prohibited by
41 federal law; or

42 (iv) a 340B covered entity from receiving [~~340B drug discount program pricing for~~]a
43 340B eligible drug, including by imposing a time limitation on a 340B covered
44 entity to replenish or submit a claim for a 340B eligible drug;

45 (b) directly or indirectly:

46 (i) require a 340B covered entity to purchase a 340B eligible drug from a supplier if
47 the manufacturer would otherwise permit the 340B covered entity to purchase a
48 drug that is not a 340B eligible drug from the supplier; or

49 (ii) require a 340B covered entity or a contracted pharmacy to submit any claim data,
50 utilization data, or information about a 340B covered entity's contracts with a
51 third-party, unless the data or information sharing is required by federal law, as a
52 condition for allowing:

53 (A) the acquisition of a 340B eligible drug by[;] a 340B covered entity; or

54 (B) delivery of a 340B eligible drug to[;] a 340B covered entity[~~, unless the data~~
55 ~~or information sharing is required by federal law~~] or a contracted pharmacy; or

56 (c) interfere with:

57 (i) a contract between a pharmacy and a 340B covered entity; or

58 (ii) the ability of a pharmacy and a 340B covered entity to enter into a contract.

59 (3) The Public Employees' Benefit and Insurance Program created in Section 49-20-103
60 may adjust the program's business practices to mitigate any financial impacts resulting
61 from this section.

62 (4) Nothing in this section is to be construed to conflict with federal law.

63 Section 2. **Effective Date.**

64 This bill takes effect:

- 65 (1) except as provided in Subsection (2), May 6, 2026; or
- 66 (2) if approved by two-thirds of all members elected to each house:
- 67 (a) upon approval by the governor;
- 68 (b) without the governor's signature, the day following the constitutional time limit of
- 69 Utah Constitution, Article VII, Section 8; or
- 70 (c) in the case of a veto, the date of veto override.