



# Senate

General Assembly

**File No. 382**

February Session, 2024

Substitute Senate Bill No. 241

*Senate, April 10, 2024*

The Committee on Public Health reported through SEN. ANWAR of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

***AN ACT CONCERNING THE OFFICE OF HEALTH STRATEGY'S  
RECOMMENDATIONS REGARDING 340B PROGRAM  
TRANSPARENCY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2024*) (a) As used in this section,  
2 (1) "federal 340B Drug Pricing Program" or "program" means the plan  
3 described in Section 340B of the Public Health Service Act, 42 USC 256b,  
4 as amended from time to time, and (2) "340B covered entity" means an  
5 entity authorized to participate in the federal 340B Drug Pricing  
6 Program under 42 USC 256b(a)(4), as amended from time to time.

7 (b) Not later than April 1, 2025, and annually thereafter, each 340B  
8 covered entity shall report to the Health Systems Planning Unit of the  
9 Office of Health Strategy, in a form and manner prescribed by the  
10 executive director of the Office of Health Strategy, information  
11 regarding such entity's participation in the federal 340B Drug Pricing  
12 Program. Such report shall include (1) the aggregated acquisition cost  
13 for prescription drugs obtained under the program, (2) the aggregated

14 payment amount received for prescription drugs obtained for and  
 15 dispensed to patients under the program, (3) the aggregated payments  
 16 made to pharmacies under contract to dispense prescription drugs  
 17 obtained under the program, (4) the number of claims for prescription  
 18 drugs described in subdivision (2) of this subsection, (5) if the 340B  
 19 covered entity is a hospital licensed pursuant to chapter 368v of the  
 20 general statutes, the national drug code number for the fifty most  
 21 frequently dispensed prescription drugs by the hospital under the  
 22 program, and (6) a description of programs and services offered by the  
 23 340B covered entity, including, but not limited to, programs and  
 24 services that support community access to care, that are funded in whole  
 25 or in part by savings gained through participation in the program and  
 26 that the 340B covered entity could not continue offering without such  
 27 savings. The information required to be reported pursuant to this  
 28 subsection shall (A) be disaggregated by payer mix, including, but not  
 29 limited to, Medicare, Medicaid and private insurance, as prescribed by  
 30 the executive director, and (B) include prescription drugs dispensed by  
 31 outpatient facilities that are child sites listed as reimbursable facilities  
 32 on a hospital's Medicare cost report.

33 (c) The executive director of the Office of Health Strategy shall post a  
 34 summary of the aggregate information received by the unit pursuant to  
 35 the provisions of this section on the Office of Health Strategy's Internet  
 36 web site.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2024	New section

**PH**      *Joint Favorable Subst.*

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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**OFA Fiscal Note****State Impact:** None**Municipal Impact:** None**Explanation**

The bill requires entities covered by the federal 340B Drug Pricing Program to submit annual reports to the Office of Health Strategy (OHS) on various matters related to such entity's participation in the program. OHS must publish its aggregated summary of these reports on its website. There is no fiscal impact to OHS as any additional workload is expected to be handled by existing staff.

**The Out Years****State Impact:** None**Municipal Impact:** None

**OLR Bill Analysis****sSB 241*****AN ACT CONCERNING THE OFFICE OF HEALTH STRATEGY'S  
RECOMMENDATIONS REGARDING 340B PROGRAM  
TRANSPARENCY.*****SUMMARY**

This bill requires each covered entity under the federal 340B Drug Pricing Program to annually report to the Office of Health Strategy (OHS) on certain matters related to its program participation. The first reports are due by April 1, 2025, and OHS must post a summary of the aggregate information received from these reports on the office's website.

The 340B Drug Pricing Program requires drug manufacturers participating in Medicaid to sell certain outpatient prescription drugs at discounted prices to health care organizations that care for uninsured and low-income patients, such as federally qualified health centers and hospitals that serve a disproportionate number of low-income patients. Under the bill, a "340B covered entity" is an entity authorized to participate in the program.

EFFECTIVE DATE: October 1, 2024

**REPORTING REQUIREMENT**

The bill requires 340B covered entities to annually report to OHS's Health Systems Planning Unit in a way set by the OHS executive director.

Each covered entity must report on its total (1) acquisition cost for prescription drugs obtained under the program; (2) payment amount received for these drugs dispensed to patients, and the number of claims for these drugs; and (3) payments made to pharmacies under contract

to dispense them. If the entity is a hospital, it also must report the national drug code number for its 50 most frequently dispensed drugs under the program.

The reports also must describe the entity’s programs and services, including those supporting community access to care, that are funded partially or fully through its 340B savings and that it could not offer otherwise.

The bill requires that the reports be disaggregated by payer mix, including Medicare, Medicaid, and private insurance, as the OHS executive director determines. Hospitals also must include prescription drugs dispensed by their outpatient facilities that are child sites listed on the hospital’s Medicare cost report as reimbursable facilities. (Federal rules require hospitals to separately register their off-site outpatient departments, commonly known as child sites, under the program in order for these sites to be eligible for 340B pricing.)

**COMMITTEE ACTION**

Public Health Committee

Joint Favorable Substitute

Yea 25    Nay 11    (03/22/2024)