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## **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)