

Subject Report on Identifying 340B Drugs

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Overview

The federal 340B drug program allows eligible entities, such as federally qualified health centers (FQHCs) and disproportionate share and critical access hospitals, to obtain discounts on drugs from manufacturers. These drugs are dispensed to patients of the eligible entity, including MA enrollees. The Department of Human Services does not receive the federal Medicaid rebate for 340B drugs that are dispensed to MA enrollees. This bill requires DHS, in consultation with FQHCs and other entities, to report on the feasibility of identifying at the point of sale 340B drugs dispensed by contract pharmacies to MA managed care enrollees. Requires the commissioner to explore options to maximize reimbursement through the 340B program, while ensuring the duplicate discounts do not occur. Requires the report to include information on the use of 340B profits and revenues.

Summary

Section	Description
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1	Encounter reporting of 340B drugs.
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(a) Requires the commissioner of human services, in consultation with federally qualified health centers and other impacted providers, to report on the feasibility of identifying at the point of sale 340B drugs dispensed by contract pharmacies to managed care enrollees served by FQHCs, in order to exclude these claims from Medicaid drug rebates. Requires the commissioner to work with FQHCs and contracted pharmacies to explore options for allowing FQHCs to maximize the 340B program and 340B reimbursement, while ensuring that duplicate discounts for these drugs do not occur. Requires the report to detail how 340B covered entities use 340B profits and how FQHCs would use additional revenue from the inclusion of 340B pharmacies.

(b) Requires the commissioner to present the report by February 1, 2021, to the chairs and ranking members of the health and human services policy and finance committees.



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