Maryland Hospital Association

Bill Summary

State Board of Pharmacy - Prohibition on Discrimination Against 340B Drug Distribution

House Bill 1056

BILL SUMMARY

HB 1056 prohibits a 340B manufacturer from taking certain direct or indirect actions to limit or restrict the acquisition or delivery of a 340B drug and makes a violation of the Act an unfair, abusive, or deceptive trade practice under the Consumer Protection Act. The bill requires the Maryland Prescription Drug Affordability Board to study the 340B Program and report its findings and recommendations to the Maryland General Assembly by July 1, 2026.

WHAT'S NEXT

- This law takes effect July 1, 2024
- The Prescription Drug Affordability Board study is due July 1, 2026

WHAT YOU CAN DO

Inform your general counsel and hospital pharmacy leads about this new law. If your hospital signed the American Hospital Association's 340B Hospital Commitment Good Stewardship Principles, ensure your hospital is in compliance. If your hospital did not sign the commitment, consider implementing the principles and/or discussing how your hospital and/or system can share how the 340B program supports and reinvests in your community.

For more information, contact Steven Chen, MHA Director of Policy, or Brian Sims, Vice President of Quality and Equity.

KEY TAKEAWAYS

- HB 1056 prohibits a 340B pharmaceutical manufacturer from directly or indirectly denying, restricting, prohibiting, discriminating against, or otherwise limiting the acquisition of a 340B drug by or otherwise authorized by a covered entity to receive 340B drugs on behalf of the covered entity
- The bill maintains the 340B manufacturer's authority to limit the distribution of a 340B drug if the limitation is required under federal law (21 U.S.C. § 355-1)
- The bill includes penalties for violation of this Act under the Commercial Law Article and allows the Attorney General's Office to investigate and issue penalties under the Maryland Consumer Protection Act as an unfair, abusive, or deceptive trade practice and civil fines. If a person in violation of this Act is licensed or permitted by the State Board of Pharmacy, the Board may impose discipline, suspension, or revocation of the person's license or permit.
- The Maryland Prescription Drug Affordability Board, in consultation with the Maryland Department of Health, must report the following components to the Senate Finance Committee and House Health and Government Operations Committee by July 1, 2026:
  - Current implementation and scope of the 340B program in the state
  - Implementation and impact of HB 1056
  - Finances of the 340B program in the state including how covered entities reinvest savings
- The Maryland Prescription Drug Affordability Board, in consultation with the Maryland Department of Health, may require covered entities and 340B manufacturers to report information as necessary to complete the required study