



A contract pharmacy access bill could still pass in Massachusetts despite the end of the formal legislative session.

Massachusetts' 340B Contract Pharmacy Access Bill Fails to Move in Formal Session, Stakeholders Remain Hopeful

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Although Massachusetts lawmakers left Beacon Hill this month without passing a long-stalled 340B contract pharmacy access bill, provider groups say there is still a chance that lawmakers could revive the issue in informal sessions later this year.

The legislation ([S.2520](#)), which easily **cleared the Senate last fall**, appeared **poised for passage** before the state's formal legislative session ended in the early hours of Aug. 1. But talks fell apart as the Senate rejected the House's heavily amended version of the bill that, among several changes, removed the 340B contract

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pharmacy access language.

Still, groups representing Massachusetts hospitals and federally qualified health centers (FQHCs) told 340B Report that they are hopeful that lawmakers will agree upon and pass legislation that includes broad contract pharmacy protections this year.

“It’s not entirely dead from what we understand,” Tom Siepka, the chief pharmacy officer for Community Care Cooperative (C3)—a Massachusetts accountable care organization founded and governed by FQHCs—said in an interview. “There’s the potential in private sessions that there could be some movements. Is it huge? I don’t know. Is there a chance? I think so.”

Massachusetts Hospital Association (MHA) spokesperson Sam Melnick also told 340B Report that his organization was “hopeful that healthcare-related bills get picked back up later in the summer or in the fall.”

What Happened?

The state Senate in November 2023 **unanimously passed** S.2520, which would have protected 340B grantees and certain safety-net hospitals from manufacturer restrictions on 340B contract pharmacy arrangements.

The bill defined “340B grantees” as FQHCs, government public safety-net hospitals and covered entities that receive at least 60% of their funding from government sources—a definition that would not have applied to many 340B nonprofit hospitals. It also included measures to limit prescription drug price hikes, require insurers to cover generic medicines for free and increase pharmacy benefit manager transparency.

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Following the Senate's passage, House lawmakers referred the bill to the lower chamber's Ways and Means Committee. The measure saw little action until late July, when the panel advanced a new version of the bill, which stripped the 340B contract pharmacy language and added PBM oversight provisions.

The House on July 24 unanimously approved that version of S.2520 ([H.4891](#)).

The Senate, however, voted against the new language, leading lawmakers to establish a conference committee on July 25 to negotiate a final bill. The bipartisan, bicameral panel had yet to strike an agreement when the formal session ended days later.

What's Next?

House Speaker Ron Mariano and Senate President Karen Spilka have suggested that lawmakers could still strike legislative deals—including on a prescription drug bill—during informal sessions, MHA noted in an [early August update](#). However, objections from even just one member could end any such progress.

Spokespeople for Mariano and Spilka did not respond to requests for comment on the likelihood that lawmakers will pass the contract pharmacy bill this year.

“Members of the legislature have shown tremendous collaboration with the healthcare community as they address these complex topics, and we feel confident about the path forward in the months ahead,” MHA President and CEO Steve Walsh said in a statement. “MHA and our members will continue to support bold policies to modernize healthcare oversight, protect patients from rising drug costs and expand access to essential behavioral and maternal health services.”

MHA backed [an amendment](#) that would've extended the Senate-passed protections

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to all 340B covered entities as defined under federal law. It was not included in the House-passed bill.

Siepka said “everybody’s assumption” was that, coming out of the House would be a cleaned-up bill that fixed definitions and tweaked whatever else lawmakers were working on.

“To not have anything come out of that was disappointing for all parties,” he said, adding that Massachusetts—often a leader on healthcare policy—is “now behind” other states when it comes to contract pharmacy legislation.

Siepka attributed the breakdown, in part, to lawmakers’ lack of understanding of the 340B program, as well as pharmaceutical industry lobbying. He, for example, pointed to a proposal—which the industry appeared to be behind—which would have set certain 340B reporting requirements similar to those passed in some other states.

A total of eight states have enacted contract pharmacy access laws, including Arkansas, Kansas, Louisiana, Maryland, Minnesota, Mississippi, Missouri and West Virginia. Siepka offered that litigation challenging those states’ contract pharmacy access laws also impacted discussions on Beacon Hill.

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