

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: SB278

Patron: Srinivasan

Bill Title: Drug manufacturers; permitting and registration; certain conditions related to 340B-covered drugs.

Bill Summary: Requires a drug manufacturer, as a condition of obtaining a permit or as a condition of registration or renewal of registration, to certify that it does not limit the number of contract pharmacies or covered entities, as defined in relevant law, to which it ships 340B-covered drugs and that it does not impose requirements, exclusions, reimbursement terms, or other conditions on a contract pharmacy or covered entity that differ from those applied to pharmacies or entities that are not contract pharmacies or covered entities on the basis that the pharmacy or entity is a contract pharmacy or covered entity or that the pharmacy or entity dispenses 340B-covered drugs.

Budget Amendment Necessary: No

Items Impacted: n/a

Fiscal Summary: Indeterminate fiscal impact for the Department of Health Professions.

Fiscal Analysis: This bill amends portions of the Drug Control Act to require a drug manufacturer to certify that it does not limit the number of contract pharmacies or covered entities to which it ships 340B-covered drugs. This certification shall be required to obtain a permit, a registration, or a registration renewal.

The Board of Pharmacy is responsible for issuing permits to drug manufacturers located within the Commonwealth and registering drug manufacturers who ship drugs from other locations into the Commonwealth (known as nonresident manufacturers). The Board will be responsible for validating such certification as part of the permitting or registration processes and potentially investigating manufacturers who are out of compliance with the provisions of the legislation. While it is expected that any cost or workload increases associated with validating certifications can be absorbed within existing resources, the number of disciplinary investigations that may occur as a result of this legislation and any associated costs are indeterminate.

Other: The Board of Pharmacy states that it is unclear whether the Board possesses jurisdictional ability to investigate nonresident manufacturers alleged to be out of compliance with the provisions of this legislation.