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SENATE BILL NO. 278

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Education and Health
on January 29, 2026)**

(Patron Prior to Substitute—Senator Srinivasan)

(Patron HJR to Substitute Senator Shinivasan)
A BILL to amend the Code of Virginia by adding a section numbered 54.1-3408.06, relating to drug manufacturers; restrictions on limiting 340B-covered drugs; civil penalty.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 54.1-3408.06 as follows:

§ 54.1-3408.06. Drug manufacturers; restrictions on limiting 340B-covered drugs; civil penalty.

A. Any drug manufacturer with a permit under § 54.1-3437, or a nonresident drug manufacturer registered under § 54.1-3442.01, shall certify annually with the Board that it (i) complies with subdivision A 5 of § 38.2-3467 and (ii) does not limit the number of contract pharmacies or covered entities, as defined in § 38.2-3465, to which it ships 340B-covered drugs.

B. Any drug manufacturer that violates this section is subject to a civil penalty of \$5,000. Each refusal to fulfill a covered entity's purchase order for a 340B-covered drug for delivery to a contract pharmacy constitutes a separate violation. Such penalty shall be collected by the Board and the proceeds shall be deposited into the general fund.