

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to direct the Secretary of Health and Human Resources to convene a stakeholder work group to*
 3 *conduct a comprehensive evaluation of the impacts of the federal 340B Drug Pricing Program within the*
 4 *Commonwealth; report.*

5 [S 278]

6 Approved

7 **Be it enacted by the General Assembly of Virginia:**

8 **1. § 1.** *That the Secretary of Health and Human Resources (the Secretary), in consultation with the*
 9 *Department of Health Professions, the Board of Pharmacy, and the Department of Medical Assistance*
 10 *Services, shall convene a stakeholder work group to conduct a comprehensive evaluation of the impacts of*
 11 *the federal 340B Drug Pricing Program within the Commonwealth with emphasis on governance,*
 12 *transparency, and the availability of pharmacy services in rural and underserved communities. The work*
 13 *group shall include representatives from the Virginia Community Healthcare Association, the Virginia*
 14 *Hospital and Healthcare Association, the Virginia Society of Health-System Pharmacists, the Virginia*
 15 *Community Pharmacy Association, Federally Qualified Health Centers (FQHCs), Pharmaceutical Research*
 16 *and Manufacturers of America, the Virginia Biotechnology Association, the Virginia Association of Health*
 17 *Plans, the Virginia Association of Chain Drug Stores, the Virginia Pharmacists Association, and other*
 18 *stakeholders with relevant expertise in the administration, oversight, or compliance requirements of the*
 19 *federal 340B Drug Pricing Program.*

20 § 2. *In conducting the evaluation, the work group shall review the following:*

21 1. *Federal statutory, regulatory, and guidance-based requirements applicable to 340B covered entities,*
 22 *pharmaceutical manufacturers, and contract pharmacies, including transparency, reporting, auditing, and*
 23 *compliance obligations administered by the U.S. Health Resources and Services Administration;*

24 2. *The number and location of covered entities as defined by the Public Health Service Act, 42 U.S.C. §*
 25 *256b, in the Commonwealth;*

26 3. *The number and location of contract pharmacies in the Commonwealth and their association to a*
 27 *covered entity;*

28 4. *Transparency and governance requirements that could be adopted on the state level to ensure*
 29 *transparent and authorized conduct in accordance with the stated purpose of the 340B Drug Pricing*
 30 *Program, including mechanisms to prevent diversion of Medicaid patients and duplicate discounts between*
 31 *the 340B Drug Pricing Program and Medicaid;*

32 5. *The role of contract pharmacies within the 340B Drug Pricing Program in the Commonwealth,*
 33 *including their functions related to patient access to prescription drugs and care coordination;*

34 6. *Potential state-level actions to ensure revenue from the 340B Drug Pricing Program is used by covered*
 35 *entities and contract pharmacies in furtherance of the stated goals of the enabling § 340B of the federal*
 36 *Public Health Service Act, 42 U.S.C. § 256b, to enable covered entities to stretch scarce federal resources as*
 37 *far as possible;*

38 7. *The types of contractual arrangements between covered entities and contract pharmacies, including*
 39 *dispensing fees, administrative fees and payments, and financial practices;*

40 8. *Limitations that may be placed on the use and number of contract pharmacy arrangements utilized by*
 41 *covered entities, taking into consideration patient need, geographic access, provider type, and differences*
 42 *between urban, suburban, rural, and underserved areas of the Commonwealth. This assessment shall include*
 43 *analysis of the relationship between covered entities and contract pharmacies to ensure that such*
 44 *relationships support care for low-income and underserved individuals and provide sufficient transparency;*
 45 *and*

46 9. *The operational, administrative, and fiscal impact of any recommendations provided by the work group*
 47 *on covered entities, particularly safety-net providers and providers serving rural or underserved populations.*

48 § 3. *The Secretary shall submit a report on the work group's findings and recommendations to the Chairs*
 49 *of the Senate Committees on Finance and Appropriations and Education and Health and the House*
 50 *Committees on Appropriations and Health and Human Services no later than November 1, 2026.*