Act No. 55 (H.266). An act relating to the 340B prescription drug pricing program

Subjects: Health; prescription drugs; Green Mountain Care Board; hospitals; 340B drug pricing program; 340B covered entities; 340B contract pharmacies

This act prohibits prescription drug manufacturers from interfering with a 340B contract pharmacy's acquisition of a 340B drug or with its dispensing of a 340B drug to eligible patients of a 340B covered entity. The act also prohibits prescription drug manufacturers from requiring a 340B covered entity to submit specific information as a condition for permitting acquisition of a 340B drug by the covered entity's contracted pharmacy and requires that manufacturers provide 340B drug pricing to a 340B covered entity or 340B contract pharmacy in the form of a discount at the time of purchase rather than as a rebate. The act creates a private right of action for a 340B covered entity, 340B contract pharmacy, or other person injured by a manufacturer's violation of these prohibitions and requirements. The act also requires each hospital to report specific information to the Green Mountain Care Board (GMCB) annually about the hospital's participation in the 340B drug pricing program, including about the hospital's acquisition costs, payment amounts, and use of contract pharmacies, and the GMCB will post the reports on its website. This annual reporting requirement is repealed on January 1, 2031.

For each prescription drug administered in an outpatient setting for which a hospital charged any health insurer more than 120 percent of the average sales price (ASP) as of April 1, 2025, the act limits the amount that the hospital can charge a health insurer for that drug going forward to not more than 120 percent of the ASP. For any drug for which a hospital charged less than 120 percent of the ASP as of April 1, 2025, the act limits the amount that the hospital can charge a health insurer for that drug going forward to not more than the percentage of the ASP that the hospital charged the insurer as of that date. The act directs hospitals to update the ASP for each drug annually on January 1 and July 1 based on the Centers for Medicare and Medicaid Services' ASP calculations for the most recent calendar quarter. The act prohibits hospitals from charging or collecting any additional amount for the drugs from the patient or health insurer or from increasing other charges in an effort to offset the resulting reductions in their revenue. The act allows a hospital to request approval from the GMCB to increase the reimbursement rates for other service lines if the hospital believes that the price caps are negatively affecting access to care, quality of care, or the sustainability of rural health care services. The act states that the price caps will remain in effect unless and until the GMCB establishes different reference-based prices that are applicable to prescription drugs administered in an outpatient setting. The act also specifies that the price caps do not apply to independent, critical access hospitals that are not affiliated with another hospital or hospital network.

Multiple effective dates, beginning on June 11, 2025