

H.266 – Limitations on hospital charges for outpatient prescription drugs

1 Sec. __. 18 V.S.A. § 9407 is added to read:

2 § 9407. OUTPATIENT PRESCRIPTION DRUGS; LIMITATIONS ON HOSPITAL
3 CHARGES

4 (a)(1) A hospital shall not submit a claim to a health insurer for reimbursement of a
5 prescription drug administered in an outpatient or office setting in an amount that exceeds
6 120 percent of the average sales price (ASP), as calculated by the Centers for Medicare and
7 Medicaid services for the most recent calendar quarter, for any drug for which the hospital
8 charged any health insurer more than 120 percent of the ASP in effect as of April 1, 2025.

9 (2) For any prescription drug administered in an outpatient or office setting for
10 which a hospital charged a health insurer 120 percent or less of the ASP in effect as of
11 April 1, 2025, the hospital shall not charge the health insurer a greater percentage of the
12 ASP, as calculated by the Centers for Medicare and Medicaid services for the most recent
13 calendar quarter, for that drug than the percentage of the ASP that the hospital charged the
14 health insurer as of April 1, 2025.

15 (b) The purpose of this section is to reduce health care costs. A hospital shall not
16 charge or collect from the patient or health insurer any amount for a prescription drug
17 administered in an outpatient or office setting that exceeds the amounts set forth in
18 subsection (a) of this section or increase the amounts the hospital charges for other
19 prescription drugs, procedures, tests, imaging, or other health care goods or services in an
20 effort to offset revenue reduced as a result of implementing this section.

1 (c) The provisions of this section shall remain in effect unless and until the Green
2 Mountain Care Board establishes a different reference-based price pursuant to section 9376
3 of this title that applies to prescription drugs administered in an outpatient or office setting.

4 (d) This section shall not apply to any hospital that is designated as a critical access
5 hospital.