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# A BILL FOR AN ACT

RELATING TO HEALTH.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the federal 340B  
2 drug pricing program (340B program) is essential for providing  
3 health care access to low-income and uninsured populations. The  
4 340B program requires drug manufacturers to offer significant  
5 discounts on outpatient medications to eligible nonprofit  
6 hospitals and safety net providers, rural hospitals, community  
7 health centers, and Native Hawaiian health centers.

8           The legislature further finds that the 340B program helps  
9 stretch limited resources, allowing hospitals to reinvest  
10 savings into essential community benefits. These benefits  
11 include financial assistance for low-income patients, free  
12 wellness visits, screenings, vaccinations, transportation to  
13 appointments, health education classes, and workforce  
14 development programs. In Hawaii, the 340B program also supports  
15 unique services such as integrating Native Hawaiian health  
16 practices into patient care.



1           The legislature also finds that, despite the 340B program's  
2 importance, drug manufacturers have consistently tried to  
3 undermine the benefits provided by the program by limiting the  
4 use of contract pharmacies by 340B covered entities, which has  
5 made it particularly difficult for patients living in rural  
6 areas of the State. Contract pharmacies play a vital role in  
7 ensuring that patients can access medications, especially in  
8 rural areas where many hospitals do not have an in-house  
9 pharmacy. For example, more than eighty per cent of rural 340B  
10 hospitals nationwide rely on contract pharmacies to dispense  
11 medication to patients who might otherwise go without essential  
12 treatments.

13           The legislature additionally finds that contract pharmacies  
14 are crucial in Hawaii, where geographic barriers make access to  
15 health care difficult for many residents. By partnering with  
16 pharmacies in those communities, hospitals can ensure that  
17 patients in remote areas receive their prescribed medications  
18 without the need to travel long distances. This is especially  
19 important for those requiring specialty drugs, which are often  
20 available only through specific pharmacy channels.





1 "340B covered entity" means an entity that participates in  
2 the federal 340B drug pricing program authorized by title 42  
3 United States Code section 256b (section 340B of the Public  
4 Health Service Act).

5 "340B drug" means a prescription drug that is purchased by  
6 a 340B covered entity through the federal 340B drug pricing  
7 program authorized by title 42 United States Code section 256b  
8 (section 340B of the Public Health Service Act) and is dispensed  
9 by a pharmacy.

10 "Manufacturer" has the same meaning as defined in section  
11 328-112.

12 "Pharmacy" has the same meaning as defined in section  
13 461-1.

14 **§ -2 Drug manufacturers; discriminatory acts prohibited.**

15 (a) No manufacturer, or any agent or affiliate of a  
16 manufacturer, shall deny, restrict, or prohibit, either directly  
17 or indirectly, the acquisition of a 340B drug by, or shipping or  
18 delivery of a 340B drug to, a pharmacy that is under contract  
19 with a 340B covered entity and is authorized under the contract  
20 to receive and dispense 340B drugs on behalf of the covered



1 entity unless the receipt is prohibited by the United States  
2 Department of Health and Human Services.

3 (b) No person other than a 340B covered entity or the  
4 attorney general may bring a civil action based upon a violation  
5 of this section.

6 **§ -3 Suits by private entities; injunctive relief only.**

7 Any 340B covered entity that is injured in its business or  
8 property by reason of a violation of section -2 may bring a  
9 civil action to enjoin the violation. If a judgment is awarded  
10 in favor of the 340B covered entity, the 340B covered entity  
11 shall be awarded reasonable attorney's fees together with the  
12 costs of suit.

13 **§ -4 Attorney general enforcement; remedies.** (a) The  
14 attorney general may bring a civil action to enjoin a violation  
15 of section -2.

16 (b) Any manufacturer, or any agent or affiliate of a  
17 manufacturer, that violates section -2 shall be fined a sum  
18 of no less than \$500 and no more than \$2,500 for each violation.  
19 The sum shall be collected in a civil action brought by the  
20 attorney general on behalf of the State. The penalties provided  
21 in this section are cumulative to the remedies or penalties



1 available under all other laws of the State. Each day that a  
2 violation of section -2 occurs shall be a separate violation.

3 (c) In an action brought by the attorney general, a court  
4 may award disgorgement and any other equitable relief that it  
5 considers appropriate.

6 § -5 **Limitation of actions.** Any action to enforce a  
7 cause of action arising under this chapter shall be barred  
8 unless commenced within four years after the cause of action  
9 accrues. For the purposes of this section, a cause of action  
10 for a continuing violation is deemed to accrue at any time  
11 during the period of the violation."

12 SECTION 3. This Act shall take effect on July 1, 3000.



**Report Title:**

AG; Affordable Health Care; Prescription Drugs; 340B Drug Pricing Program; Pharmacies; Covered Entities; Discriminatory Practices

**Description:**

Prohibits drug manufacturers from denying, restricting, or prohibiting the acquisition, shipping, or delivery of a 340B drug to pharmacies contracted with 340B covered entities under the federal 340B Drug Pricing Program. Authorizes the 340B covered entity and Attorney General to bring a civil action for enforcement. Specifies a four-year limitations period for bringing an action. Effective 7/1/3000. (HD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

