

**510D.2 340B drug program — contract pharmacies and covered entities.**

1. Group health plans, health carriers that offer group or individual health insurance coverage, third-party administrators, and pharmacy benefits managers shall not discriminate against a covered entity or a contract pharmacy by reimbursing the covered entity or the contract pharmacy for a prescription drug or a dispensing fee in an amount less than the group health plan, health carrier, third-party administrator, or pharmacy benefits manager reimburses a similarly situated entity or pharmacy that is not a covered entity or a contract pharmacy.

2. *a.* Group health plans, health carriers that offer group or individual health insurance coverage, third-party administrators, and pharmacy benefits managers shall not, on the basis that an entity is a covered entity or that a pharmacy is a contract pharmacy, or that a covered entity or contract pharmacy participate in the 340B program, impose any of the following contractual terms and conditions on the covered entity or the contract pharmacy that differ from those imposed on a similarly situated entity or pharmacy that is not a covered entity or a contract pharmacy:

(1) Fees or other assessments that are not required by state law or the Iowa administrative code.

(2) Chargebacks, clawbacks, or other reimbursement adjustments that are not required by state law or the Iowa administrative code.

(3) Professional dispensing fees that are not required by state law or the Iowa administrative code.

(4) Restrictions or requirements related to participation in standard or preferred pharmacy networks.

(5) Requirements related to the frequency or scope of audits.

(6) Requirements related to inventory management systems that utilize generally accepted accounting principles.

(7) Requirements related to mandatory disclosure either directly or through a third party, except disclosures required by federal law, of prescription orders that are filled with covered outpatient drugs obtained through the 340B program.

*b.* Paragraph “*a*”, subparagraphs (1) and (2), shall not be construed to prohibit adjustments for overpayments or other errors associated with an adjudicated claim.

*c.* Paragraph “*a*”, subparagraph (7), shall not be construed to prohibit modifiers or other identifiers on claims to identify whether a drug was purchased through the 340B program or to prevent duplication of rebates.

3. Group health plans, health carriers that offer group or individual health insurance coverage, third-party administrators, and pharmacy benefits managers shall not do any of the following on the basis that an entity is a covered entity or that a pharmacy is a contract pharmacy, or that a covered entity or a contract pharmacy participates in the 340B program:

*a.* Place any restrictions or impose any requirements on an individual that chooses to obtain a covered outpatient drug from a covered entity or a contract pharmacy, whether in person, via courier or the United States post office, or any other form of delivery.

*b.* Refuse to contract with a covered entity or a contract pharmacy based on any criteria that is not applied equally to a contract with a similarly situated entity or pharmacy that does not participate in the 340B drug program.

*c.* Impose any restriction or condition on a covered entity that interferes with the covered entity’s ability to maximize the value of the discounts obtained by the covered entity through the covered entity’s participation in the 340B drug program.

**2023 Acts, ch 43, §3**

NEW section