

**THIRD PARTY ADMINISTRATOR ACT (EXCERPT)**  
**Act 218 of 1984**

**550.926 340B Program entities; reimbursement, co-pay, and discrimination prohibitions; definitions.**

Sec. 26.

(1) A carrier or third party administrator that is a pharmacy benefit manager shall not prohibit a 340B Program entity or a pharmacy that has a license in good standing in this state under contract with a 340B Program entity from participating in the carrier's or third party administrator that is a pharmacy benefit manager's provider network solely because it is a 340B Program entity or a pharmacy under contract with a 340B Program entity. A carrier or third party administrator that is a pharmacy benefit manager shall not reimburse a 340B Program entity or a pharmacy under contract with a 340B Program entity differently than other similarly situated pharmacies. As used in this subsection, "340B Program entity" means an entity authorized to participate in the federal 340B Program under section 340B of the public health service act, 42 USC 256b.

(2) A carrier or other third party, or a third party administrator that is a pharmacy benefit manager, shall not, except as required by law to prevent a duplicate rebate, require a claim for a drug to include a modifier or otherwise to indicate that the drug is a 340B drug unless the claim is for payment, directly or indirectly, by the Medicaid program. As used in this subsection:

(a) "Medicaid program" means the program for medical assistance established under title XIX of the social security act, 42 USC 1396 to 1396w-6.

(b) "Rebate" means a formulary discount or remuneration attributable to the use of prescription drugs that is paid by a manufacturer or third party, directly or indirectly, to a pharmacy benefit manager after a claim has been adjudicated at a pharmacy. Rebate does not include a fee, including, but not limited to, a bona fide service fee or administrative fee, that is not a formulary discount or remuneration described in this subdivision.

(c) "Third party" does not include a pharmacy benefit manager or carrier.

(d) "340B drug" means a covered drug as that term is defined in 42 USC 256b.

(3) A third party administrator that is a pharmacy benefit manager shall not exclude or discriminate against a pharmacy solely based on the carrier not having a vested financial interest in the pharmacy. As used in this subsection, "having a vested financial interest" means having ownership, having co-ownership, being a shareholder, or having another connection from which financial gain or loss could be realized.

**History:** Add. 2022, Act 12, Imd. Eff. Feb. 23, 2022