
SENATE BILL 5981

State of Washington

69th Legislature

2026 Regular Session

By Senators Cleveland, Slatter, Harris, Bateman, Alvarado, Chapman, Dhingra, Frame, Hasegawa, Llias, Pedersen, Saldaña, and Valdez

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1 AN ACT Relating to protecting patient access to discounted
2 medications and health care services through Washington's health care
3 safety net by preventing manufacturer limitations on the 340B drug
4 pricing program; adding a new chapter to Title 69 RCW; and
5 prescribing penalties.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that the federal
8 340B drug pricing program is essential for providing health care
9 access to low-income and uninsured populations. The 340B drug pricing
10 program requires drug manufacturers to offer discounts on outpatient
11 medications to eligible providers that serve these populations. They
12 include federally qualified health centers, Ryan White (HIV) clinics,
13 tribal and urban Indian health centers, critical access hospitals,
14 and other safety net hospitals that meet stringent federal criteria.

15 (2) Congress created the 340B drug pricing program in 1992,
16 stating that the program's benefits enable covered "entities to
17 stretch scarce federal resources as far as possible, reaching more
18 eligible patients and providing more comprehensive services." (H.R.
19 Rep. No. 102-384 (II), at 12 (1992)). The 340B drug pricing program
20 allows certain safety net providers to sustain underfunded services
21 and reinvest savings into essential community benefits, such as

1 financial assistance for low-income patients, no-cost wellness
2 visits, screenings, vaccinations, transportation to appointments,
3 health education classes, case management, medication adherence
4 services, and workforce development programs.

5 (3) The federal health resources and services administration
6 permits 340B covered entities to contract with pharmacies to enable
7 access to life-saving drugs and drugs that preserve quality of life
8 to eligible patients, including for those who otherwise have limited
9 access.

10 (4) The 340B drug pricing program and contract pharmacies are
11 crucial to Washington's safety net providers by ensuring patients can
12 access their prescribed medications, while providing additional
13 resources to 340B covered entities to serve vulnerable and
14 underserved populations.

15 (5) More than 20 other states have recognized the importance of
16 contract pharmacies to the 340B drug pricing program and have taken
17 action to prohibit drug manufacturers from imposing restrictions on
18 340B covered entities' ability to serve patients through contract
19 pharmacies.

20 (6) Federal courts, including the fifth and eighth circuit courts
21 of appeals, have upheld states' authority to legislate on the
22 distribution of 340B drugs through contract pharmacies.

23 (7) The current restrictions imposed by drug manufacturers not
24 only limit a patient's access to affordable medication but also
25 jeopardize the financial savings that safety net providers depend on
26 to reinvest in their operations, expand services, and support
27 underserved communities.

28 (8) The legislature, therefore, finds that prohibiting drug
29 manufacturers from imposing restrictions on 340B covered entities is
30 necessary to protect Washington's vulnerable patients, their access
31 to medications, and safety net providers' ability to serve their
32 patients.

33 NEW SECTION. **Sec. 2.** The definitions in this section apply
34 throughout this chapter unless the context clearly requires
35 otherwise.

36 (1) "340B drug" means a drug that has been subject to an offer
37 for reduced prices by a manufacturer under 42 U.S.C. Sec. 256b and is
38 purchased by a covered entity.

1 (2) "Covered entity" means an entity authorized to participate in
2 the federal 340B drug pricing program, as defined in 42 U.S.C. Sec.
3 256b(a)(4) as of the effective date of this section.

4 (3) "Manufacturer" means a person, corporation, or other entity
5 engaged in the manufacture of drugs or devices. It includes an agent,
6 contractor, or affiliate of a manufacturer.

7 (4) "Package" has the same meaning as in 21 U.S.C. Sec.
8 360eee(11)(A) as of the effective date of this section.

9 (5) "Pharmacy" has the same meaning as in RCW 18.64.011.

10 (6) "Third-party logistics provider" has the same meaning as in
11 21 U.S.C. Sec. 360eee(22) as of the effective date of this section.

12 NEW SECTION. **Sec. 3.** (1) A manufacturer or a distributor or
13 third-party logistics provider of a manufacturer's drugs may not,
14 directly or indirectly, deny, restrict, or prohibit the acquisition
15 of a 340B drug by, or delivery of a 340B drug to, a covered entity, a
16 pharmacy that is under contract with a covered entity to receive and
17 dispense a 340B drug on behalf of the covered entity, or any location
18 authorized by a covered entity to receive such 340B drug, unless
19 federal law prohibits receipt of the 340B drug.

20 (2) A manufacturer or a distributor or third-party logistics
21 provider of a manufacturer's drugs may not, directly or indirectly,
22 require a covered entity to submit any claims, utilization,
23 purchasing, or other data as a condition for allowing the acquisition
24 of a 340B drug by, or delivery of a 340B drug to, a covered entity, a
25 pharmacy that is under contract with a covered entity to receive and
26 dispense a 340B drug on behalf of the covered entity, or any location
27 authorized by a covered entity to receive such 340B drug, unless
28 federal law requires such data sharing.

29 NEW SECTION. **Sec. 4.** (1) In addition to any other remedy
30 provided by law, a covered entity may file a civil action against a
31 manufacturer, distributor, or third-party logistics provider for a
32 violation of this chapter. If a court finds that the manufacturer,
33 distributor, or third-party logistics provider violated this chapter,
34 the court may enjoin the violation and award a civil penalty of up to
35 \$5,000 per day for each violation, as well as reasonable attorneys'
36 fees and costs. Each package of 340B drugs subject to a prohibited
37 act under this chapter constitutes a separate violation.

1 (2) The attorney general may bring an action in the name of the
2 state, or as parens patriae on behalf of persons residing in the
3 state, to enforce this chapter. For actions brought by the attorney
4 general to enforce the provisions of this chapter, the legislature
5 finds that the practices covered by this chapter are matters vitally
6 affecting the public interest for the purpose of applying the
7 consumer protection act, chapter 19.86 RCW. For actions brought by
8 the attorney general to enforce this chapter, a violation of this
9 chapter is not reasonable in relation to the development and
10 preservation of business and is an unfair or deceptive act in trade
11 or commerce and an unfair method of competition for the purpose of
12 applying the consumer protection act, chapter 19.86 RCW.

13 (3) Nothing in this chapter is to be construed or applied to
14 conflict with federal law and related regulations, including 21
15 U.S.C. Sec. 355-1, or other laws of this state, if the state law is
16 compatible with applicable federal law.

17 NEW SECTION. **Sec. 5.** If any provision of this act or its
18 application to any person or circumstance is held invalid, the
19 remainder of the act or the application of the provision to other
20 persons or circumstances is not affected.

21 NEW SECTION. **Sec. 6.** Sections 1 through 4 of this act
22 constitute a new chapter in Title 69 RCW.

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