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MEMORANDUM

To: Chair Dietrich and the Senate Committee on Financial Institutions and Insurance

From: Office of Revisor of Statutes

Date: March 17, 2025

Subject: **SB 284: Enacting the defense of drug delivery act to prohibit manufacturer interference relating to 340B drug distribution.**

Section 1 of the bill provides the citation to the act.

Section 2 of the bill provides the definitions section of the act.

Section 3 of the bill prohibits manufacturers, third party logistics providers, repackagers, or any agent, contractor, or affiliate thereof, from denying, restricting, prohibiting, discriminating against or otherwise limiting the acquisition or delivery of a 340B drug to a covered entity or other location authorized by a covered entity to receive a 340B drug, unless such receipt is prohibited by state or federal law. The section also prohibits a manufacturer from requiring a covered entity or authorized location to provide any health information, claims or utilization data, purchasing, payment or other information unless such information is voluntarily provided or otherwise required to be provided pursuant to state or federal law.

Section 4 authorizes the attorney general to adopt rules and regulations necessary to implement and administer the provisions of the act. The section also establishes the defense of drug delivery fund to be administered by the attorney general and expended for the administration of the act.

Section 5 authorizes the attorney general to administer oaths and affirmations, subpoena witnesses or matter and collect evidence. The section authorizes civil penalties to be imposed on persons or entities that violate the provisions of section 3 of the bill, upon written order of the attorney general.

Section 6 authorizes the board to investigate any complaint of a violation of section 3 of the act, by a person or entity registration or permitting requirements of the board. The board is authorized to impose discipline, suspension or revocation of the license or permit of a person or entity, upon a finding of a violation.

Section 7 of the bill states that limited distribution of a drug required under 21 U.S.C. § 355-1 shall not be considered a violation of the act. The section also states that the provisions of section 3 shall not be construed to prohibit a manufacturer from requiring certain health or other information or data if such information and data is required to be furnished under state and federal.

Section 8 states that the act shall not be construed or applied to be more lenient than any federal law as to any person or entity referenced or regulated by the act. The act shall not be construed to be construed to be in conflict with federal law and related regulations or other law.

Section 9 of the bill is a severability clause.

If enacted, the bill would become effective on July 1, 2025.