

Division of Medical Assistance

Commonwealth of Massachusetts

Office of Medicaid

NOTICE OF PUBLIC HEARING

Under the authority of M.G.L. c. 6A, section 16 and in accordance with M.G.L. c. 30A, the Division of Medical Assistance (the Division) will hold a remote public hearing on Friday, May 1, 2026, at 9:00 a.m. relative to the adoption of amendments to the following regulations.

130 CMR 405.000: *Community Health Center Services*; 130 CMR 406.000: *Pharmacy Services*; and 130 CMR 410.000: *Outpatient Hospital Services*

The proposed regulations are planned to go into effect no sooner than July 1, 2026. There is no fiscal impact on cities and towns.

The first purpose of the proposed amendments is to end MassHealth pharmacy coverage of drugs acquired through the 340B Drug Pricing Program billed through pharmacy point-of-sale adjudication, effective July 1, 2026, so that MassHealth can secure aggregate fiscal savings. Members will continue to have full access to drugs when not acquired through the 340B Drug Pricing Program. Coverage will remain for most 340B drugs administered by clinicians. The proposed changes further remove requirements that a clinician-administered drug be high cost before it is carved out from 340B and eliminate the current cap of 25 such drugs. These changes are being made to 130 CMR 405.000, 130 CMR 406.000, and 130 CMR 410.000.

The second purpose of the proposed amendments is to end coverage of drugs prescribed solely for the treatment of obesity or overweight, except for children covered

by the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program. This change is being made only in 130 CMR 406.000.

The following secondary regulation changes apply only to 130 CMR 406.000:

- To allow hospital-licensed pharmacies to dispense drugs pursuant to 105 CMR 722.000: *Dispensing Procedures for Clinic and Hospital Pharmacies*. Previously, 130 CMR 406.404(B)(2) stated that only a retail or clinical-licensed pharmacy could dispense drugs;
- To anchor the MassHealth agency's refill payment limits to applicable federal and state law rather than attempting to restate those legal limits in 130 CMR 406.411, with any additional limits set through the MassHealth Drug List, Pharmacy Facts, or other written MassHealth issuances;
- To allow flexibility in dispensing drugs, when appropriate, allowing medications in a 90-day supply, instead of being limited to a 60-day supply as currently written; and
- To remove coverage for cough and cold drugs (for symptomatic relief) in a nursing facility or intermediate care facility.

MassHealth's termination of coverage of drugs acquired through the 340B Drug Pricing Program is estimated to result in net savings of \$8 million annually, after rebates and federal share. These savings come from allowing the state to maximize the value of its supplemental rebate agreements.

Additionally, the elimination of coverage for drugs prescribed solely for weight loss is estimated to have an annual net fiscal impact of \$15 million in savings for MassHealth, after rebates and federal share, for members enrolled in MassHealth fee-for-service and managed care entities. Of this estimated \$15 million in savings, \$6 million is attributed to members enrolled in MassHealth fee-for-service, the primary care clinician plan, and primary care accountable care organizations. The other proposed changes are not expected to have meaningful fiscal impact.

To register to testify at the hearing and to get instructions on how to join the hearing online, go to www.mass.gov/info-details/masshealth-public-hearings. To join the hearing by phone, call (646) 558-8656 and enter meeting ID 935 397 8200# when prompted.

You may also submit written testimony instead of, or in addition to, live testimony. To submit written testimony, please email your testimony to masshealthpublicnotice@mass.gov as an attached Word or PDF document or as text within the body of the email with the name of the regulation in the subject line. All written testimony must include the sender's full name, mailing address, and organization or affiliation, if any. Individuals who are unable to submit testimony by email should mail written testimony to EOHHS, c/o D. Briggs, 100 Hancock Street, 6th Floor, Quincy, MA 02171. Written testimony will be accepted through 5:00 p.m. on May 1, 2026. The Division specifically invites comments as to how the amendments may affect beneficiary access to care.

To review the current draft of the proposed regulation, go to www.mass.gov/info-details/masshealth-public-hearings or request a copy in writing from MassHealth Publications, 100 Hancock Street, 6th Floor, Quincy, MA 02171.

Special accommodation requests may be directed to the Disability Accommodations Ombudsman by email at ADAAccommodations@mass.gov or by phone at (617) 847-3468 (TTY: (617) 847-3788). Please allow two weeks to schedule sign language interpreters.

The Division may adopt a revised version of the proposed regulation, taking into account relevant comments and any other practical alternatives that come to its attention.

In case of inclement weather or other emergency, hearing cancellation announcements will be posted on the MassHealth website at www.mass.gov/info-details/masshealth-public-hearings.

April 10, 2026

Small Business Impact Statement

(As required by M.G.L. c. 30A §§ 2, 3 & 5)

CMR No and Title: 130 CMR 405.000

Estimate of the Number of Small Businesses Impacted by the Regulation: 250

- Will small businesses have to create, file, or issue additional reports?
No. Small businesses will not have to create, file, or issue additional reports.
- Will small businesses have to implement additional recordkeeping procedures?
No. Small businesses will not have to implement additional recordkeeping procedures.
- Will small businesses have to provide additional administrative oversight?
No. Small businesses will not have to provide additional administrative oversight.
- Will small businesses have to hire additional employees in order to comply with the proposed regulation?
No. Compliance does not require hiring additional employees
- Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)?
No. Compliance does not require hiring professionals.
- Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation?
No. The regulation does not require purchases or capital investments.
- Are performance standards more appropriate than design/operational standards to accomplish the regulatory objective?
(Performance standards express requirements in terms of outcomes, giving the regulated party flexibility to achieve regulatory objectives and design/operational standards specify exactly what actions regulated parties must take.)
No. Performance standards are not more appropriate than design/operational standards to accomplish the regulatory objective.
- Do any other regulations duplicate or conflict with the proposed regulation?
No. This regulation is being amended as a conforming change to 130 CMR 406.000.

- Does the regulation require small businesses to cooperate with audits, inspections or other regulatory enforcement activities?
No. The regulatory amendments do not require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities.
- Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements?
No. The regulatory amendments do not require small businesses to provide educational services to keep up with regulatory requirements.
- Is the regulation likely to deter the formation of small businesses in Massachusetts?
No. The regulation is unlikely to deter or encourage the formation of small businesses in Massachusetts.
- Is the regulation likely to encourage the formation of small businesses in Massachusetts?
No. The regulation is unlikely to deter or encourage the formation of small businesses in Massachusetts.
- Does the regulation provide for less stringent compliance or reporting requirements for small businesses?
No. The regulation does not distinguish between small and other businesses but instead seeks to apply uniform standards.
- Does the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses?
No. The regulation does not distinguish between small and other businesses but instead seeks to apply uniform standards.
- Did the agency consolidate or simplify compliance or reporting requirements for small businesses?
No. The agency did not consolidate or simplify compliance or reporting requirements for small businesses.
- Can performance standards for small businesses replace design or operational standards without hindering delivery of the regulatory objective?

No. Performance standards cannot be used without hindering delivery of the regulatory objective.

- Are there alternative regulatory methods that would minimize the adverse impact on small businesses?

No. The goals of the regulation could not be achieved through alternative methods that would minimize the adverse impact on small businesses.

Small Business Impact Statement

(As required by M.G.L. c. 30A §§ 2, 3 & 5)

CMR No and Title: 130 CMR 406.000

Estimate of the Number of Small Businesses Impacted by the Regulation: 250

- Will small businesses have to create, file, or issue additional reports?
No. Small businesses will not have to create, file, or issue additional reports.
- Will small businesses have to implement additional recordkeeping procedures?
No. Small businesses will not have to implement additional recordkeeping procedures.
- Will small businesses have to provide additional administrative oversight?
No. Small businesses will not have to provide additional administrative oversight.
- Will small businesses have to hire additional employees in order to comply with the proposed regulation?
No. Compliance does not require hiring additional employees
- Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)?
No. Compliance does not require hiring professionals.
- Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation?
No. The regulation does not require purchases or capital investments.
- Are performance standards more appropriate than design/operational standards to accomplish the regulatory objective?
(Performance standards express requirements in terms of outcomes, giving the regulated party flexibility to achieve regulatory objectives and design/operational standards specify exactly what actions regulated parties must take.)
No. Performance standards are not more appropriate than design/operational standards to accomplish the regulatory objective.
- Do any other regulations duplicate or conflict with the proposed regulation?
No. Conforming changes are being made to 130 CMR 405.000 and 130 CMR 410.000, so that there will be no conflict or duplication.

- Does the regulation require small businesses to cooperate with audits, inspections or other regulatory enforcement activities?

No. The regulatory amendments do not require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities.
- Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements?

No. The regulatory amendments do not require small businesses to provide educational services to keep up with regulatory requirements.
- Is the regulation likely to deter the formation of small businesses in Massachusetts?

No. The regulation is unlikely to deter or encourage the formation of small businesses in Massachusetts.
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- Does the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses?

The regulation does not distinguish between small and other businesses but instead seeks to apply uniform standards.
- Did the agency consolidate or simplify compliance or reporting requirements for small businesses?

No. The agency did not consolidate or simplify compliance or reporting requirements for small businesses.
- Can performance standards for small businesses replace design or operational standards without hindering delivery of the regulatory objective?

No. Performance standards cannot be used without hindering delivery of the regulatory objective.

- Are there alternative regulatory methods that would minimize the adverse impact on small businesses?

No. The goals of the regulation could not be achieved through alternative methods that would minimize the adverse impact on small businesses.

Small Business Impact Statement

(As required by M.G.L. c. 30A §§ 2, 3 & 5)

CMR No and Title: 130 CMR 410.000

Estimate of the Number of Small Businesses Impacted by the Regulation: 250

- Will small businesses have to create, file, or issue additional reports?
No. Small businesses will not have to create, file, or issue additional reports.
- Will small businesses have to implement additional recordkeeping procedures?
No. Small businesses will not have to implement additional recordkeeping procedures.
- Will small businesses have to provide additional administrative oversight?
No. Small businesses will not have to provide additional administrative oversight.
- Will small businesses have to hire additional employees in order to comply with the proposed regulation?
No. Compliance does not require hiring additional employees
- Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)?
No. Compliance does not require hiring professionals.
- Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation?
No. The regulation does not require purchases or capital investments.
- Are performance standards more appropriate than design/operational standards to accomplish the regulatory objective?
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No. Performance standards are not more appropriate than design/operational standards to accomplish the regulatory objective.
- Do any other regulations duplicate or conflict with the proposed regulation?
No. This regulation is being amended as a conforming change to 130 CMR 406.000.

- Does the regulation require small businesses to cooperate with audits, inspections or other regulatory enforcement activities?
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