



# WHITE BAGGING

## Talking Points for Providers

White bagging is a practice in which a patient purchases a drug from a specialty pharmacy, and the specialty pharmacy ships the drug to a provider office, hospital, or clinic for administration. When an insurance company requires a patient to obtain their drug from their affiliated specialty pharmacy, we refer to that as a white bagging mandate. This practice differs from the traditional "buy-and-bill" model that allows providers to purchase, store, and manage their own drug inventory.

### Key Concerns

#### Patient Care Quality and Safety

- White bagging can lead to delays due to shipping or processing issues. These delays disrupt treatment for patients, causing serious health implications.
- Many medication dosages are calculated based on body weight, but when a specialty pharmacy is used, providers are unable to adjust the dose at the time of treatment. Providers must choose between delaying treatment or administering a subtherapeutic dose. These delays, miscalculations and obstacles disrupt treatment for patients, causing serious health implications and increased costs.

#### Increased Healthcare Costs and Waste

- If providers can no longer sustain their practices due to reduced reimbursement, patients may be forced to seek treatment in more expensive hospital settings, increasing costs for both patients and insurance companies.
- When a practice is required to obtain a drug from a specialty pharmacy as compared to sourcing the product from its own inventory, the practice is unable to make necessary changes at the time of administration, such as selecting a different drug or dosage.
- Once a medication has been dispensed by a specialty pharmacy, it cannot be returned if a dosing adjustment or therapy cancellation is needed. Because the medication has been paid for by the health plan and patient, using that medication on a different patient would be considered insurance fraud. The entire medication must be thrown out.
- Drug wastage due to improper dosage or therapy cancellation can cost the health plan and the patient tens of thousands of dollars.

#### Financial Viability for Providers

- Preparation, administration, and post-administration aspects of delivering specialty medications are complex and can require up to 2 to 3 hours of additional labor. White bagging mandates still require providers to carry out these duties but eliminate the drug reimbursement that providers rely on to offset the costs of administering complex medications.
- The current reimbursement structure for professional services alone are not sufficient to sustain non-hospital, office-based infusion practices. If it is no longer financially viable to treat patients, providers will be forced to send their patients to other more costly settings, such as hospitals.

#### Reduced Flexibility in Patient Care

- Buy-and-bill allows providers to offer payment plans, spreading costs over time for patients.
- With white bagging, if medication isn't paid for upfront and in full, patients may not receive treatment.

White bagging mandates significantly limit providers' ability to deliver consistent, high-quality care in a safe environment at costs lower than hospital settings, leading to:

- Reduced access to care for patients
- Increased healthcare costs overall
- Potential closure of community-based infusion centers

#### Call to Action

We urge lawmakers to carefully consider the implications of white bagging mandates on patient care, healthcare costs, and the sustainability of community-based infusion providers. Protecting the buy-and-bill model ensures that patients can continue to receive high-quality, cost-effective care in their communities.