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Coalition of State Rheumatology Organizations

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December 5, 2023

House Insurance Committee
1 Capitol Square
Columbus, Ohio 43215

Re: Support for HB 156

The Coalition of State Rheumatology Organizations (CSRO) is a national organization composed of over 30 state and regional professional rheumatology societies, including our member organization in Ohio. CSRO was formed by physicians to ensure excellence and access to the highest quality care for patients with rheumatologic, autoimmune, and musculoskeletal disease. It is with this in mind that we write to you regarding HB 156.

As you consider HB 156, CSRO would like to share its support, and the importance of ensuring that providers continue to be able to provide care for patients through the buy and bill acquisition model for provider administered prescription drugs.

Many rheumatology practices currently use the "buy and bill" method of acquisition for provider administered drugs. Under this model a practice will purchase, store, prepare, and administer certain provider administered drugs. The practice will then bill the payer for the cost of the drug and its administration once a patient receives treatment.

Payers have begun to require that providers use an alternate acquisition system called "white bagging" for provider administered drugs. White bagging is a policy in which insurance companies internally manage the purchase and delivery of provider administered specialty medications through a specialty pharmacy of the insurer's choice rather than allowing the provider, where the patient will receive treatment, to purchase and manage drug inventory for their patients. CSRO believes this new system is flawed for a number of reasons, and that Ohio policymakers should act to curtail its mandatory use by payers.

White Bagging Reduces Patient Safety and Increases Practice Liability

CSRO has serious concerns with product integrity for drugs prepared outside of rheumatologists' offices. Under the white bagging model practices do not have control over the handling, preparation, and storage conditions of the drug prior to its administration. Improper handling on the part of a specialty pharmacy can have serious consequences for patients, and white bagging removes practices' ability to prevent adverse events through internal oversight. Patients will face delays in treatment and unnecessary hardships, as compared to the practice sourcing products from its own inventory for in-office administration. **Indeed, in a national survey of rheumatologists, 69% of**

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respondents indicated they experienced operational and safety issues associated with white bagging.[1] While practices' responsibility for much of the pre-administration handling is removed under the white bagging model, their liability is not. Practices may still be held liable for adverse events that occur because of circumstances they no longer control under a white bagging model.

White Bagging Requirements Delay Care and Increase Drug Waste

White bagging would significantly increase instances of drug waste, which complicates the acquisition system's ability to achieve savings. Under the new policy, drugs will be assigned to a specific patient prior to administration by the specialty pharmacy, whereas under buy and bill drugs do not have to be assigned until the time of administration. Providers cannot administer a drug assigned to one patient to a different patient, whereas they may do so with drugs acquired through "buy and bill."

For example, if a dosing change is required or the therapy is discontinued or interrupted for any reason, the drug provided by the specialty pharmacy would end up as waste. It is not uncommon for pre-administration evaluation to necessitate dosing changes, which the white bagging model offers no ability to resolve without drug waste or inability of the patient to get the needed dose of medication. This would certainly result in unnecessary drug waste and increased expenditures for the patient in terms of money and health.

Additionally, the present "buy and bill" system offers providers flexibility that would prevent patients from suffering major inconveniences should delays or other mistakes occur on the part of the specialty pharmacy or their delivery system. Delays can result from a variety of factors, including failed delivery, incorrect medications being delivered, medications shipped to the wrong address, prior authorization issues, and out of stock medications. Not only would the drug be wasted, but the patient, practice, and payer's time is also wasted with potential harm to the patient due to their inability to get the needed medication. **68% of respondents to CSRO's national survey indicated that medication delivery was delayed when white bagged, which caused patient appointments to be canceled and increased chances of drug waste.**[2]

These logistical hurdles are not only borne by patients, but also physician practices. Due to the aforementioned issues, the requirement to white bag drugs will massively increase the complexity of inventory management, which will add to already untenable administrative burdens borne by physician practices. Practices will now have to keep track of individual drugs for individual patients, which drugs can be used if treatment is delayed, how long of a delay is acceptable for reuse if treatment is delayed among other issues. As

[1] CSRO national survey of rheumatology practices, data available upon request.
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a result, inventory will have to be more granular, which presents and overhead and inventory nightmare.

White Bagging Requirements Reduce Affordability for Patients

Due to the expensive nature of many specialty medications, patients are often responsible for large cost-sharing amounts out of their own pockets. Many patients are unable to afford these amounts all at once, and providers work with patients to spread these payments over time to help ensure they are able to afford and receive treatment. However, under a white bagging model, there is the possibility that patients may need to meet their cost-sharing obligations in their entirety before the specialty pharmacy will ship the medication. An inability to meet these costs up front can interrupt critical treatment that is preventing the progression of disease.

For these reasons, CSRO requests your support for HB 156. We appreciate your consideration of our comments.

Respectfully,

Gary Feldman, MD, FACR
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