

White Bagging

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**Mount
Sinai**

Objectives

- ▶ Differentiate between white, brown and clear bagging
- ▶ Understand safety and operational concerns associated with white bagging
- ▶ Apply rationale and recommendations to limit white bagging at your institution

Bagging; Pick your color...



▶ **White Bagging**

- refers to the distribution of patient-specific medication from a pharmacy to the physician's office, hospital, or clinic for administration

▶ **Brown Bagging**

- refers to the dispensing of a medication from a specialty pharmacy to a patient, who then transports the medication(s) to the physician's office or infusion center for administration

▶ **Clear Bagging**

- is when a health system-owned specialty pharmacy dispenses medications for administration in the health system's infusion centers

Why are we talking about white bagging now?



Q1 2020
BCBS of TN
require white
bagging for
all provider
administered
specialty
drugs

Q3 2020
Aetna
requiring
white bagging
on check
point
inhibitors in
HOPD

Q3 2020
Anthem Blue
Cross CA
requiring
white bagging
for specialty
medication
for Medicaid
HMO
beneficiaries

Q3 2020
Cigna
mandated
white bagging
in HOPD

Q42020
Anthem Blue
Cross CA
expanded
white bagging
to PPO plans

Q1 2021
UHC added
13 specialty
drugs

Q2 2021
Empire
BCBS
updated
number of
drugs
included in
their
Designated
Medical
Specialty
Pharmacy
List.

Why are we talking about white bagging now?

▣ What the payers say

- Reduces physicians' costs or hospitals costs associated with purchasing and stocking expensive medications
- Limits the administrative process of billing payers for reimbursements
- Since you are neither purchasing the drug nor seeking drug reimbursement from a third-party payer, there is lower provider risk
- Lowers patients monthly premiums

Why are we talking about white bagging now?

▶ What they mean...

- Vertical integration business model
- Negotiate discounts leveraging prescription volumes

Vertical Business Relationships Among Insurers, PBMs, Specialty Pharmacies, and Providers, 2021



1. Cigna partners with providers via its Cigna Collaborative Care program. However, Cigna does not directly own healthcare providers.

2. AllianceRx/Walgreens Prime is jointly owned by Prime Therapeutics and Walgreens Boots Alliance.

3. Since 2020, Prime sources formulary rebates via Asciant Health Services. In 2021, Humana began sourcing formulary rebates via Asciant Health Services for its commercial plans.

Source: Drug Channels Institute research; Companies are listed alphabetically by insurer name.

This chart appears as Exhibit 210 in *The 2021 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers*. Available at <http://drugch.org/pharmacy>

Safety Concerns

▣ Decreased level of safeguards

- Lack of EHR integration

▣ Delay of Care

- Coordination issues- patient, external sp, infusion center
- Delayed Delivery- ex) inclement weather
- Incorrect delivery location- loading dock, mail room
- Dosage errors
- Lost shipments

▣ Drug Spoilage/Damage

Safety Concerns

- ▶ Supply chain security issues
 - Ability to verify integrity of drug

- ▶ Limiting Provider ability to make treatment changes at the point of care

- ▶ Shortages
 - Alternative options
 - Delay of medication delivery

- ▶ Diversion

- ▶ Pharmacy/Provider liability

Question

True or False:

White bagging reduces patient safety and increases liability to hospitals.

Operational Concerns

- ▶ Separate inventory

- ▶ Educating patients on white bagging
 - Additional phone calls
 - Paperwork to sign
 - Scheduling importance

- ▶ Facilities- Storage capacity

- ▶ Pharmacy Resource intensive
 - Additional staff
 - Tracking
 - Documenting
 - Reconciling- order vs received

Operational Concerns

- ▣ Proper processing of unused medications

- ▣ Policies
 - Patients signing additional forms
 - Return meds to pts
 - Wasting/expiring meds

- ▣ Relationship building with Specialty Pharmacies
 - Leverage to correct issues

- ▣ Charge Integrity
 - Double billing patient
 - System to audit billing process
 - Reserve charging process

Financial Impact

▣ Pt accessibility to Care

- Typical financial assistance resources not available to the patient
- Less visibility to patient put of pocket costs that can result to refusal of treatment

▣ Loss of revenue for drugs

▣ Increased operation cost

- Additional staff
- Physical storage of drug
- Managing waste
- Monitoring of the drug

Additional things to consider

- ▶ Increased hospital length of stay
- ▶ Increased patient readmission rates
- ▶ Negative Clinical outcomes
- ▶ Decreased patient satisfaction
- ▶ Moving away from patient centered care

Question

Which of the following are unintended consequences of white bagging?

- a) Drug waste
- b) Additional pharmacy management
- c) Delay of treatment
- d) All of the Above

Regulatory Concerns

- ▶ Drug Supply Chain Security Act (Title II of Pub. L. 113-54)

- ▶ Joint Commission Standards MM.02.01.01, MM.03.01.01, and 05.01.07
 - Hospital pharmacy controls the process of procuring, storing, and dispensing medications

- ▶ Conditions of Participation in the Medicare Program (42 CFR §482.25)
 - A hospital's pharmaceutical service functions to procure, store, compound and dispense all medications, biologics, and devices within the hospital- including its outpatient locations

What are other states doing

- ▶ New Jersey- N.J.A.C. 13:39-3.10
 - Prohibit diverting or redirecting patients to a specified pharmacy

- ▶ Georgia- GA. Code Ann. § 26-4-119
 - Prohibit diverting or redirecting patients to a specified pharmacy

- ▶ Ohio-OAC 4729.43
 - Prohibits non-self injectable cancer medications from being directly distributed to patients

- ▶ Massachusetts- 247 CMR 09.01 (4)
 - Identifies white bagging as “re-dispensing”

What are other states doing?

- ▣ 18 states have introduced bills related to white bagging this year
 - Passed one chamber
 - West Virginia House Bill 4263
 - West Virginia House Bill 4122

 - Full Chamber Vote
 - Arizona Senate Bill 1161
 - Missouri House Bill 1677
 - Massachusetts Senate Bill 695

Recommendations

- ▶ Assess your current impact or potential impact of white bagging
- ▶ Provide awareness to executive teams on scope of issue
 - May be thinking of a different perspective
- ▶ Develop policy on white bagging/brown bagging and criteria for exceptions
- ▶ Consider alternative care models (Provide based billing, Home Infusion, Clear bagging)
- ▶ Form relationships with PA teams, finance, GR, and managed care/contracting teams

Final Question

Which of the following strategies can you or your health system adopt in response to payer mandated white bagging requirements?

- a) Engaging in political advocacy
- b) Develop an anti-white bag policy at your organization
- c) Work alongside your managed care team to negotiate with payers
- d) All of the above