



**House Human Services Committee
SB 2378
March 14, 2023**

Chair Weisz and committee members, thank you for this opportunity to weigh in on this important issue to health care in North Dakota. My name is Maari Loy, and I serve as the Essentia Health Pharmacy Operations Senior Manager in Fargo. Prior to joining Essentia, I worked as a pharmacist in other health-systems in Fargo after graduating from NDSU's Pharmacy School. I am a Central Cass High graduate, and my family and I continue to live in Casselton.

Essentia Health is an integrated health system serving patients in the Midwest. We employ roughly 15,000 employees who serve patients and communities through our 14 hospitals, 77 clinics, six long-term care facilities, three assisted living facilities, three independent living facilities, six ambulance services, and one research institute. Essentia Health is an accredited accountable care organization by the National Committee for Quality Assurance and is focused on the triple aim of better health, improving patient experience, and lowering costs.

A trend is growing in infusions centers that threatens the timeliness and safety of medication administration to patients. Increasingly, insurance payers are demanding that clinics "white bag" medications. White bagging — called this because of the white bags in which pharmacies traditionally deliver medications — is a process in which the patient's insurance company dictates which pharmacy can be used to dispense the drug. These specialty pharmacies are often owned by or affiliated with the insurance companies' pharmacy benefit manager (PBM). This requirement to use the PBM designated specialty pharmacy is fraught with issues that impact patient safety and the timeliness of therapy.

White bagging can cause delays in medication administration. For example, patients may arrive to their clinic ready for their chemotherapy infusion only to be told that their medication has not arrived from the specialty pharmacy. While the clinic infusion pharmacy routinely stocks this drug and has a supply ready for patients, white bagging can cause a delay in shipment because the clinic has not received the medication in time for the patient's scheduled infusion. This is because of the demands of the insurance company. A delay in shipment can also occur if a patient has a change in medication dosage or therapy. To make things worse, if the original drug has already been shipped, the white bagging process can prevent the drug from being returned. In this case, the patient must pay for both the original drug as well as the new prescription. Situations like this could be prevented if the insurance company allows the clinic infusion pharmacy to dispense the drug. What's more, these are not hypothetical situations occurring in some distant state. They are occurring here in North Dakota for our neighbors on a regular basis.

The added burden of managing the white bagged drugs creates several potential safety issues. The provider must know when the medication needs to be reordered from the specialty pharmacy, especially if the order is changing for any reason. It can be difficult to know the exact timing needed for the reordering process when the provider has to work with an unfamiliar pharmacy and shipping, temperature storage, and supply chain challenges. Then, the clinic infusion pharmacy must assure the orders have arrived, potentially from one of multiple specialty pharmacies, ensure that the arrival of

the shipments matches the patient's treatment dates, and that the correct drug and dose have arrived. Medication that is white bagged must be stored separately because these drugs can only be given to that specific patient. Since these white bagged medications are shipped to the clinic infusion pharmacy outside of the normal supply chain process, there is a large potential for error and patient safety concerns.

So why are insurance companies trying to push the white bagging method? One reason insurance companies give for supporting white bagging is cost savings. Unfortunately, they mean cost savings for themselves – not the patients seeking what is often life-saving drugs who are forced to pay more out-of-pocket for these drugs. Simply put, when white bagging occurs, the insurance company can shift the drug from the patient's medical benefit coverage to the pharmacy benefit coverage, where there are increased co-pays or other out-of-pocket costs and there may be no out-of-pocket maximum for drugs. So, while white bagging may have cost savings to the payer, patients are stuck with increased cost, significant barriers to care, and disruptions to the patient-provider relationship.

This is why SB 2378 has been introduced to prohibit insurance companies from demanding white bagging of medications that are typically administered in a clinic infusion center. This bill will prevent this process that can ultimately cost additional money and cause harm to patients. Support for this bill will be crucial to allow physicians and patients to make the choice that is best for patients — rather than being dictated by insurance companies.

Thank you for your time and consideration.

Sincerely,

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