



A Dangerous Payer Practice that Threatens Patient Choice, Safety, and Timely Access to Clinician-Administered Drugs

SF 482
HF 544

Unregulated White Bagging Tactics Threaten Medication Access, Affordability

Pharmacy Benefit Managers (PBMs) serve as middlemen that manage the prescription drug benefits process, yet they operate out of the view of regulators and consumers. In recent years, PBMs have consolidated influence in the health care marketplace through vertical integration – meaning that these middlemen now own, or are owned by, some of the largest insurers in the U.S.

Today, just **three PBMs process nearly 80%** of all prescriptions in the U.S., which has serious implications for patients' ability to access the timely care they need.

With this concentration of market power, these health care conglomerates routinely steer patients toward pharmacy benefit manager-owned pharmacies. In today's drug pricing debate, one growing practice – **white bagging** – is particularly problematic for patient care.

WHAT IS WHITE BAGGING?

When insurers put white bagging policies in place, physicians are forced to obtain a patient's clinician administered medications from outside specialty pharmacies selected – and often owned – by insurers. Patients must then wait for their medications to arrive at their doctor's office, a process that can take days or weeks, delaying care and causing lasting harm to patients.

DANGERS OF WHITE BAGGING INCLUDE:

RESTRICTS PATIENT & PHYSICIAN CHOICE

- When insurers mandate drugs be dispensed via their third-party specialty pharmacies, it restricts physicians' ability to make on-site, day-of clinical decisions in the patient's best interest.

HARMS PATIENT SAFETY

- This arrangement restricts providers' ability to ensure the proper acquisition, storage, and administration of drugs, presenting risk that patients may receive damaged, contaminated, or counterfeit medications.

DELAYS PATIENT CARE

- Disease progression can result from delays in care related to delivery issues, dosage errors, damage, or administrative hurdles that can interrupt care.

INCREASES COST OF CARE

- Under this arrangement, patients are hit with higher cost-sharing responsibilities and may also be charged co-pays for drugs not received due to shipping errors, treatment changes, and other factors.

THREATENS MINNESOTA PHYSICIAN VIABILITY

- Through white bagging, insurance companies shift costs onto providers, forcing them to bear the financial burden of extra storage requirements, labor needs, and increased liability. **A recent study shows** that providers across the country spend as much as **\$310 million annually** complying with white bagging requirements.

SUPPORT SF 482 AND HF 544 TO PROHIBIT WHITE BAGGING PRACTICES IN MINNESOTA.

