



**State Representative Gayle L. Manning, Ohio's 55th House District
State Representative Scott Oelslager, Ohio's 48th House District
House Bill 451 Sponsor Testimony**

Chairman Brinkman, Vice-Chair Lampton, Ranking Member Miranda, and members of the House Insurance Committee – Representative Oelslager and I thank you for the opportunity to present testimony today on House Bill 451. HB 451 would require the mutual consent between a healthcare provider and an insurance company to allow “physician administered” drugs to be purchased through and prepared by the insurer’s specialty pharmacy and then shipped to a healthcare provider, a drug dispensing practice known as “White-Bagging”.

I’d first like to provide a little background and history as to why this bill is so important to Representative Oelslager and me.

In 2014, we co-sponsored and passed legislation, SB230, prohibiting what was then known as “Brown-Bagging”, the practice of an insurer requiring patients to receive certain infusion medications, often by mail-order pharmacy via commercial carrier, sent directly to the patient’s home. The patient was then required to transport the medication to a medical facility to be treated or infused.

The drugs in question were fragile and very complex. The delivery to a patient’s home and subsequent trip to the medical facility required by this type of insurance contract created unnecessary risk and compromised patient safety and drug effectiveness.

While Brown-Bagging is now prohibited in Ohio, it has come to our attention these same insurers are now requiring a practice that is referred to as “White-Bagging”. The insurers are mandating that these critical drugs be purchased from the insurer’s preferred specialty pharmacy, typically one they are affiliated with, then transported via a commercial carrier to the healthcare provider to be used in treatment.

Clinician-administered drugs are complex drugs, typically given to the most vulnerable patients—those with cancer, multiple sclerosis, or rheumatoid arthritis—whose treatment is very time sensitive. I understand it is common for cancer patients, for example, to have day-of adjustments to their treatment, based on their lab results from that day.

By requiring physician-administered medication to be prepared off-site and then transported by courier at a later date, the insurance company is creating risk of temperature control, handling errors, care delays, and drug waste. Furthermore, healthcare providers have no control over the preparation or handling of the drug until it is delivered and therefore cannot verify the drug has been properly mixed or handled in a way that ensures it is free from contamination or exposure to adverse environmental conditions.

This arrangement of “White-Bagging” also creates further complexity when considering that patients are covered by a broad array of plans supported by different specialty benefit structures. When multiple insurance companies require physician-administered medications to be prepared by their own specialty pharmacy and then transported to the doctor’s office, it creates a logistical nightmare for the hospital or healthcare practice.

Compare this to the closed supply distribution system, used by many hospitals and community practices today, which ensures the integrity of all products administered to patients. Under the current practice, before “White-Bagging”, all drugs are shipped directly from the manufacturer to an authorized distributor and then directly to the practice or the hospital – allowing the provider total visibility to ensure they are handled safely and protected from any adverse effects.

Requiring drugs to be distributed via White-Bagging will also likely result in treatment delays since the patient must wait until the drug is received by the healthcare practice – which can take days or perhaps even weeks if there are issues with delivery, damage, or administrative hurdles on the insurer’s side. In the meantime, the patient’s disease continues to progress, which could lead to complications down the road. **Do we really want patients coming to the office, finding out their chemotherapy needs to be adjusted and having to wait several more days until a new “White Bag” of chemotherapy is shipped in order to be treated?**

Though insurers will claim that White-Bagging is cost effective – that might not necessarily be true for patients. When an insurer mandates “white-bagging,” the treatment is typically switched from the patient’s medical benefit to their pharmacy benefit, which often has higher cost-sharing responsibilities.

It is important to note, while our previous legislation prohibited the practice of Brown-Bagging, this legislation simply requires mutual consent of both the healthcare provider and the insurer. In some instances, depending on the drug or the healthcare provider, the practice of White-Bagging may be in order. Our legislation simply prohibits it from being mandated by the insurer.

House Bill 451 is therefore designed to protect patient safety and promote better health outcomes, while reducing unnecessary waste in the state's healthcare system.

Additionally, the bill clearly defines "Physician-administered drug or medication" as a drug that cannot be self-administered and is typically administered by a health care provider in a clinical setting.

In developing this legislation, we worked with the Ohio Hematology Oncology Society, The

OSU Wexner Medical Center, The Cleveland Clinic, The MetroHealth System, Cincinnati Children's Hospital, Ohio Oncology Hematology Care and many other health care organizations from every corner of the State. A list of the proponents is attached to our testimony.

Critical care patients have incredible battles with which to cope. We have an opportunity through **HB 451** to eliminate one obstacle in patient access to the most effective treatments in the fight against their disease. With that, I urge your favorable consideration of this crucial legislation.

Thank you for your time and attention today. Representative Oelslager and I would be happy to answer any questions you may have at this time.