



Kevin Pete R.Ph.
Proponent Testimony on HB451
House Insurance Committee
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Chairman Brinkman, Vice Chair Lampton, Ranking Member Miranda and members of the House Insurance Committee, thank you for the opportunity to testify in support of House Bill 451 addressing the practice of “White Bagging.” My name is Kevin Pete and I am CEO/President of Aultman Medical Group with the Aultman Health Foundation in Canton. I have also held a registered pharmacist license in the State of Ohio for the past 31 years. Aultman is a not-for-profit health care organization serving Stark and surrounding counties. The integrated health care system includes Aultman Hospital, Aultman Orrville Hospital, Aultman Alliance Community Hospital, the locally managed health insurance provider AultCare, The Aultman Foundation and Aultman College. With 1,032 beds, over 1,000 providers, more than 120,000 health plan lives and a team of more than 7,000 employees, Aultman is Stark County's largest provider of health care services.

According to the American Cancer Society, an estimated 1.8 million Americans will be diagnosed with at least one type of cancer this year. These individuals – and millions more already living with cancer – require treatments that could last for many years. Treatment for cancer care is highly personalized and must be tailored uniquely for each individual patient. Unfortunately, recent utilization management policies implemented by some national insurance companies, known as “white bagging,” threaten to interfere with oncologists’ ability to provide timely and effective care to patients, while also increasing patient costs. In addition to cancer patients, white bagging can affect the care of other patients who need infusion medications, such as those being treated for multiple sclerosis or certain rheumatological conditions.

While not banning the practice of white bagging, HB 451, sponsored by Representative Scott Oelslager and Representative Gayle Manning would prohibit insurers from imposing white bagging policies on practices in the state. The legislation would also protect patients from the potential treatment delays and quality risks associated with this complex and flawed policy. This legislation will allow for health care providers to choose if they allow an outside pharmacy to provide this drug to the hospital.

Patients with cancer undergoing chemotherapy take a series of complex and dynamic drug regimens that must be frequently adjusted at the point of care based on a patient’s ever-changing circumstances, such as disease progression and comorbidities, as well as the drug’s toxicity and side effects. For physicians, this level of involvement allows them to make day-of dose adjustments or drug substitutions, if necessary, to meet the unique needs of each patient.

But under a white bagging arrangement, large, national insurance companies would require the drug to be purchased through and prepared by the insurer’s specialty pharmacy, then shipped to the physician’s office for administration to that specific patient. By requiring a specialty medication to be prepared off-site and then transported by courier at a later date, these national insurance companies are creating risk of temperature control, handling errors, care delays and drug waste.

Further, practices 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 is even more complex when considering that oncology, rheumatology and multiple sclerosis patients are covered by a broad array of plans supported by different specialty benefit structures. If multiple insurance companies require specialty medications to be prepared by their own specialty pharmacy and then transported to the doctor's office, that creates a logistical nightmare for the practice. In fact, in a recent survey from Vizient, 95% of practices reported that they experienced operational and safety issues – 83% said the product did not arrive in time to be administered to the patient, and 66% said the product delivered was no longer correct because of an update to the patient's treatment course or dose.

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 specialist's office – 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.

Though these 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.

The care and safety of their patients should always be the first priority of any practicing physician. Policies like white bagging risk patient safety, can lead to delayed care and often drive up patient costs. These policies should be opposed by anyone who aims to fight for the interests of patients.

Thank you for the opportunity to testify in support of HB 451 and encourage you to support this important legislation to preserve the integrity of specialty care across Ohio. I am happy to answer any questions you may have.