



The Nation's Advocacy Voice for In-Office
Infusion

3307 Northland Dr, Ste 160 ▪ Austin, TX 78731
www.infusioncenter.org ▪ info@infusioncenter.org

February 9, 2022

The Honorable Chairman, Thomas E. Brinkman Jr.
House Insurance Committee
Room 116

Re: Letter of Support for House Bill 451

Dear Chairman Brinkman, Vice-Chair Lampton, Ranking Member Miranda, and members of the House Insurance Committee:

On behalf of the National Infusion Center Association (NICA) and our Ohio based members, we write in full support of House Bill (HB) 451.

The National Infusion Center Association (NICA) is a nonprofit organization formed to support non-hospital, community-based infusion centers caring for patients in need of infused and injectable medications. To improve access to medical benefit drugs that treat complex, rare, and chronic diseases, we work to ensure that patients can access these drugs in high-quality, non-hospital care settings. NICA supports policies that improve drug affordability for beneficiaries, increase price transparency, reduce disparities in quality of care and safety across care settings, and enable care delivery in the highest-quality, lowest-cost setting.

Specialty Pharmacy Mandates

Infusion providers have historically relied on the buy-and-bill model to purchase medications for their practices. Current reimbursement rates for administration do not cover the actual practice expenses associated with furnishing infusions. The margins generated under the buy-and-bill model help offset the losses on the administration side to keep community-based providers in business.

However, some insurance companies have implemented policies that require Ohio patients to purchase medications from specialty pharmacies—a practice known as “white bagging.” When



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a payor requires that a patient's medication be acquired from a specialty pharmacy, the drug is provided by a third-party pharmacy, generally one the payor is affiliated with, and the provider bills for administration only. If it is no longer financially viable for Ohio infusion centers to treat patients, infusion providers will no longer be able to offer their services to their long-standing patients who rely on them for consistent, local, and quality care.

Specialty Pharmacy mandates add unnecessary waste and costs. White bagging requires that patients pay for their medications before they receive them, and even before they are shipped to their providers' offices. If for any reason a patient is unable to receive their treatment, due to weight fluctuation or their condition has changed, that medication, which has already been paid for, is now wasted. By law, it cannot be returned, and it cannot be administered to another patient. It has already been paid specifically for and by the original patient. These medications cost thousands of dollars and wasting them is completely avoidable through the buy-and-bill model that infusion offices currently rely on. Additionally, for many of our providers, working with a specialty pharmacy has led to delays and disruptions in treatment schedules. Practices have reported receiving different quantities than what was ordered or experienced processing and shipping delays. These delays disrupt treatment for patients and cause serious health implications.

House Bill 451

NICA supports HB 451, which would prohibit specialty pharmacy mandates imposed by insurance companies. The legislation simply requires 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.

Eliminating a healthcare provider's ability to buy and bill medications through the implementation of mandatory specialty pharmacy requirements will limit providers' ability to continue delivering consistent, high-quality care in a safe environment at a low cost. As such, **NICA urges the committee to advance HB 451, which would ensure healthcare providers the flexibility to obtain and administer complex provider-administered drugs to patients in a timely and cost-effective manner.**



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Sincerely,

A handwritten signature in black ink that reads "Brian Nyquist". The signature is written in a cursive style with a large initial "B" and a long, sweeping tail on the "t".

Brian Nyquist, MPH
Chief Executive Officer
National Infusion Center Association