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House Bill 451 – Proponent Testimony
House Insurance Committee
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Chairman Brinkman, Vice Chair Lampton, Ranking Member Miranda and members of the Ohio House Insurance Committee, thank you for the opportunity to testify in support of House Bill 451, which amends the law related to physician-administered drugs to address the practice known as "white bagging." My name is Sam Calabrese and I am Chief Pharmacy Officer at Cleveland Clinic.

Cleveland Clinic is a nearly 6,000-bed health system that includes a 165-acre main campus near downtown Cleveland, 19 hospitals, more than 220 outpatient facilities, and locations in Ohio, southeast Florida; Las Vegas, Nevada; Toronto, Canada; Abu Dhabi, UAE; and London, England. In 2020, there were 8.6 million total outpatient visits, 270,000 hospital admissions and observations, and 216,000 surgical cases throughout Cleveland Clinic's health system. Cleveland Clinic is proud to be Ohio's largest private employer and is dedicated to being a leader in patient experience, clinical outcomes, research, and education for patients.

Inpatient pharmacy areas at Cleveland Clinic main campus support distributive and clinical pharmacy services provided by staff pharmacists, clinical pharmacy specialists and pharmacy technicians. This includes support for 60 nursing units, 80 operating rooms, 4 PACUs, and 10 catheterization labs, accounting for over 1,440 inpatient beds.

In these settings, we frequently care for patients who are receiving infusion drug treatments for a variety of conditions, including cancer, rheumatological conditions, and multiple sclerosis. Treatment for these patients is highly personalized and must be tailored uniquely for each individual. Unfortunately, recent utilization management policies implemented by some national insurance companies, known as "white bagging," threaten to interfere with the ability to provide timely and effective care to patients, while also increasing patient costs.

There are several issues that result from white bagging. Patients with cancer undergoing chemotherapy, for instance, 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, 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.

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Under a white bagging arrangement, national insurance companies 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. This increases the risk of care delays, handling errors, temperature control issues, 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.

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.

The logistical burden added by white bagging is unnecessary, as the closed supply distribution system used by many community specialty practices today already adequately ensures the integrity of all products administered to patients. Under this system, all drugs are shipped directly from the manufacturer to an authorized distributor, then directly to the practice – following strict protocols to ensure they are handled safely and protected from any adverse effects.

Further, white bagging is a major patient safety concern, as it commonly results in treatment delays. Patients 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.

Insurers may claim that white bagging is cost effective, but 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.

In summary, white bagging risks patient safety, can lead to delayed care and often drives up patient costs. These policies should be opposed by anyone who aims to fight for the interests of patients.

Cleveland Clinic is committed to being a partner to you in combating the issue of white bagging. We support House Bill 451 and urge the committee to be supportive as well. We thank the bill sponsors, Representative Scott Oelslager, and Representative Gayle Manning for championing this legislation. Thank you for the opportunity to provide testimony, and I am available to be contacted with any questions you may have.