The James

THE OHIO STATE UNIVERSITY
WEXNER MEDICAL CENTER

Testimony of
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Supporting HB 451
Ohio House Insurance Committee
February 9, 2021

Chairman Brinkman, Vice Chairman Lampton, Ranking Member Miranda, and members of the House Insurance Committee, thank you for the opportunity to submit proponent testimony in support of HB 451, introduced by Representatives Manning and Oelslager.

My name is David Cohn, and I am Chief Medical Officer at The Ohio State University Comprehensive Cancer Center - James Cancer Hospital and Solove Research Institute (OSUCCC-James), and a professor in the Department of Obstetrics and Gynecology, specializing in gynecologic oncology.

The only freestanding cancer hospital in central Ohio and the first in the Midwest, the OSUCCC – James is an international leader in cancer prevention, detection and treatment. Understanding that no cancer is routine because every case is biologically different, OSUCCC – James physicians and scientists focus on basic, clinical and translational research to determine the molecular origin of each person's cancer and how best to treat it, leading to better outcomes, fewer side effects and more hope. The OSUCCC – James is the only cancer program in the United States that features a National Cancer Institute–designated comprehensive cancer center aligned with a nationally ranked academic medical center and a freestanding cancer hospital on the campus of one of the nation's largest public universities.

The OSUCCC-James strongly supports HB 451. This important legislation would prohibit insurers from requiring physician-administered drugs or medications be dispensed by a plan's designated specialty pharmacy, a practice known as "white-bagging." In addition, the bill would prohibit the plan from limiting or excluding coverage for such a drug when it is not dispensed by a plan-designated pharmacy. The bill further protects patients by prohibiting different cost-sharing for individuals if it is dispensed or administered at a provider location.

Traditionally, healthcare providers buy their non-self-administered specialty drugs (infusion and injectable drugs) from distributors and administer them to patients as needed. Providers then bill patients through the patient's medical benefit for the drug. This commonly is called the buy and bill model.

White bagging is an emerging trend amongst payers that interrupts this chain. The payer purchases the therapies directly from specialty pharmacies for the patient's treatment, which ships it to the provider (pharmacy or physician) for administration. The patient is charged through pharmacy benefits, often via the Pharmacy Benefit Manager (PBM).

This system is problematic and poses risks to patient safety.

At The James, our clinicians take a thorough history and examine a patient before administering an injectable medication, such as chemotherapy or biologic agents. Patient treatment regimens are often adjusted in response to the patient's evolving condition. Our pharmacists maintain an inventory of drugs so that we can fill the order as needed, ensuring timely care is provided.

However, an insurer requirement for white bagging can cause delays in treatment while the patient awaits the delivery of the appropriate drugs at the dose that is specific to the patient. For patients fighting cancer, delays can be emotionally difficult and may impact treatment success and patient outcomes.

Further, medication is shipped for each individual patient instead of using a comprehensive medication supply chain system that encompasses regular and timely medication delivery. This system means that there is an increased risk of the drugs being delivered to the wrong location, particularly in multi-clinic buildings. Failed delivery or lost medications also can cause serious delays in treatment, which is dangerous for patients in need of urgent care.

Many of these drugs are fragile and require complex storage and shipping requirements. If they were to become altered, they may pose risks to the patient's safety. By relying on outside entities, hospitals cannot guarantee that the medication has been handled properly. This loss in the chain of custody is a liability risk and patient hazard.

Under white bagging, hospitals and clinics often assume responsibility for patient care and safety. This means that they must verify drug integrity and pedigree and ensure that risk evaluation and mitigation strategies requirements are met. Providers do not receive any compensation for the additional responsibilities they must take on to serve as couriers for complex drugs, such as special handling and temperature-control monitoring.

There are also considerable challenges with integrating refills, payments and shipment for a just-in-time treatment. Small mis-coordination can cause significant delays in treatment resulting in possible harm to the patient.

Safe, effective, and timely administration of anti-cancer medication is the top priority of The OSUCCC-James Department of Pharmacy. Bar-coding and robotic technology is utilized during the preparation, dispensing, and administration process to ensure that the five rights of medication administration are met (the right patient, the right drug, the right dose, the right route, and the right time). The practice of white bagging introduces patient specific medication

vials that may be at different doses or concentrations, or not compatible with the safety systems in place to prevent medication errors.

White bagged drugs are dispensed for specific patients and cannot be used for other patients. If the patient's therapy changes or is altered due to advancement in disease, those drugs may end up being unused. The provider must legally store the drug until it expires. It cannot be re-dispensed to another patient for any reason. We cannot dispose of the drug because they belong to the patient and must remain on the shelf until the product expires. This creates logistics and storage challenges for us.

Insurers likely will argue that the white bagging process provides savings. The cost to the payer may be lower through white bagging. However, the costs to the patient usually increases through utilization of the pharmacy benefit, which typically provides a large cost sharing responsibility to the patient. Many of the impacted therapies are in the highest co-payment tier for patients. Under the buy-and-bill traditional model, coverage is through the medical benefit with a single co-payment for the visit and medication administration.

Patients are responsible for payment under white bagging even if therapies change. This increases risk of patient abandonment of treatment and increases the risk of introduction of financial toxicity to the patient.

By ensuring providers like The James can continue to purchase specialty pharmaceuticals and administer them as needed, House Bill 451 will protect patient safety and promote better health outcomes, while reducing unnecessary waste in the state's healthcare system.

I urge the committee to support HB 451.