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summahealth.org

March 10, 2022

Representative Tom Brinkman, Chair  
House Health Committee  
77 S. High St.  
Columbus, Ohio 43215

Dear Chairman Brinkman,

Summa Health appreciates the opportunity to provide public testimony in opposition of HB 451, a bill that would ban the practice of white bagging within the state of Ohio.

White bagging occurs when a health plan delivers a physician administered drug directly to a hospital or clinic rather than using the provider's drug supply. The method has allowed health plans to deliver the same high quality specialty drugs a hospital would use but at a much lower cost for their employer clients and health plan members.

Summa's mission is to provide the highest quality, compassionate care to our patients and members and to contribute to a healthier community. The health system serves as the largest healthcare provider and employer for the Greater Akron region. We also own and operate SummaCare, a nationally ranked health plan, which provides insurance products and services across thirty-one counties within northern Ohio.

We are providing this testimony as an employer that owns and operates services across the full healthcare continuum. We have more than thirty years of experience in coordinating and integrating strategies and services among our hospital, health plan and physician entities to ensure patients have access to high quality care and cost effective services. This coordination and integration also positions us to best steward limited healthcare resources to support individual and population health.

In 2020, we activated the white bagging model with select products to help contain prescription drug costs for our employee population and health plan members. We do not utilize white bagging for oncology drugs. As a major employer, white bagging helps us save one million dollars annually in employee drug costs while preserving their access to quality medications. Our health system reinvests these savings back into the community.

Employers that purchase SummaCare services have also appreciated the white bagging model because it helps them to control drug costs while delivering quality medications to their employees and family members. The attached chart highlights a sample of the annualized savings white bagging has yielded for four of our health plan clients. We estimate health plan members associated with the clients have personally saved in total approximately \$10,000 in out-of-pocket costs.

We are aware the hospital community has raised payment, quality and safety, and administrative burden concerns with the white bagging practice.

When it comes to payment matters, our health plan does pay hospitals for infusion services and have created a per diem with our preferred home infusion partners to manage white bag cases.

With respect to quality and safety concerns, our employees and health plan members have not reported any adverse medical issues under the white bagging model. Our health system also maintains a quality assurance committee to monitor and respond to the medical, pharmacy, and compliance aspects of this practice.

If hospitals voice any administrative or logistical challenges with white bagging, our care management team is accountable for helping the providers resolve concerns in a timely manner.

We humbly request that legislators oppose HB 451 because it would limit our choice as an employer and an insurer in utilizing a tool that is safe and lowers drug costs for our employee population and health plan members.

We support Ohio employers and payers (including those managing publicly insured populations) continuing to have the flexibility to use white bagging to help contain healthcare costs in a limited reimbursement environment.

Thank you for considering my written testimony,

A handwritten signature in black ink, reading "T. Clifford Deveny". The signature is written in a cursive style with a large, decorative initial "T".

T. Clifford Deveny, M.D.  
President and Chief Executive Officer

Group	Drug	Dose	Initial Allowed Amount	New Cost	Savings per Use	Frequency of use	Annual Doses
Group A	Remicade	62	\$32,910.34	\$8,205.11	\$24,705.23	every 8 weeks	7
Group B	Remicade	90	\$48,186.35	\$10,594.43	\$37,591.92	every 6 weeks	9
Group A	Remicade	100	\$28,722.18	\$6,568.00	\$22,154.18	Monthly	12
Group A	Entyvio	300	\$32,099.81	\$7,029.03	\$25,070.78	every 8 weeks	7
Group C	Tysabri	300	\$12,913.99	\$7,702.84	\$5,211.15	Monthly	12
Group D	Remicade	50	\$11,548.87	\$2,647.50	\$8,901.37	every 8 weeks	7
Group A	Remicade	90	\$25,834.96	\$4,765.50	\$21,069.46	every 8 weeks	7

Sample of 7 claims for 4 employer groups

WhiteBag		Projected Annual Savings
White Bag		\$172,936.61
White Bag		\$338,327.28
White Bag		\$265,850.16
White Bag		\$175,495.46
White Bag		\$62,533.80
White Bag		\$62,309.59
White Bag		\$147,486.22
	Total Annualized Savings	\$1,224,939.12