

To: Wisconsin State Legislators
From: America's Health Insurance Plans
Alliance of Health Insurers
Wisconsin Association of Health Plans
Pharmaceutical Care Management Association
Wisconsin Manufacturers & Commerce
Date: October 22, 2021
Re: Opposition to LRB 4440, White bagging legislation

America's Health Insurance Plans (AHIP), the Alliance of Health Insurers (AHI), the Wisconsin Association of Health Plans (WAHP), the Pharmaceutical Care Management Association (PCMA), and Wisconsin Manufacturers & Commerce (WMC) are nonprofit advocacy organizations improving consumer access to affordable health care in Wisconsin, both via the private sector and public programs, and are committed to market-based solutions that improve affordability, value, access, and well-being for consumers.

We are asking you not to sign on to Senator Darling and Rep. Kurtz's LRB 4440 relating to "white bagging."

Too many Americans cannot afford the drugs they need because of the high cost of prescription drugs. Health insurance providers have developed many innovative strategies to lower drug costs for their enrollees, including using contracted specialty pharmacies to deliver certain drugs. Using specialty pharmacies to deliver patients the drugs they need, when they need them, saves money for patients, and reduces administrative burdens for health care providers.

Health plans use this practice in limited circumstances and for very high-cost drugs, which saves money for patients and helps to make premiums more affordable. White bagging can protect patients from a hospital's markup for prescribed drugs, which on average runs between 200-400% of the hospital's acquisition cost.¹ It also provides important care coordination support through the patient's continuum of care.

We are also concerned about the scope of this legislation, which extends beyond white bagging and constrains other important tools health plans use to deliver the highest quality care while helping to reduce the high costs of these clinician administered drugs for individual consumers and the broader commercially insured population.

Health insurance providers only apply these drug management strategies when they are confident that the drugs can be safely dispensed and are appropriate for the patient's needs. Like all pharmacies, specialty pharmacies must meet stringent state and federal legal and regulatory requirements regarding the storage, handling, and dispensing of prescription drugs. In addition, specialty pharmacies must meet extra safety requirements for specialty drugs imposed by the FDA and drug manufacturers. In fact, the processes for delivering specialty medications through white bagging is no different from those used when providers acquire the drug themselves. There is no difference in safety.

This is not a one size fits all problem and there is not a one size fits all solution. We ask that you allow us an opportunity to discuss this issue with you before you consider supporting this proposal.

Thank you for your consideration.

¹ <http://www.themorancompany.com/wp-content/uploads/2018/09/Hospital-Charges-Reimbursement-for-Medicines-August-2018.pdf>