AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution: 233
(A-24)

Introduced by: Association for Clinical Oncology, American College of Rheumatology

Subject: Prohibiting Mandatory White Bagging

Referred to: Reference Committee B

Whereas, many health insurers and pharmacy benefit managers (PBMs) have adopted policies that condition coverage of a clinician-administered drug, such as an IV infusion, on the drug being dispensed from a PBM-affiliated mail order pharmacy; and

Whereas, this practice is commonly referred to as “white bagging”; and

Whereas, mandatory white bagging policies exclude payment for medically necessary drugs from any health care provider that is not under common ownership with the insurer or PBM, including in-network pharmacies; and

Whereas, drugs commonly subject to mandatory white bagging policies are often needed to treat the most vulnerable patient populations with complex treatment plans who require efficient and timely delivery of clinician-administered drugs for successful outcomes; and

Whereas, white bagging requires each individual patient-specific treatment dose to be shipped in a separate parcel, via common carrier, to the administering provider, even if the administering provider already has the drug in stock and available for administration; and

Whereas, shipments from specialty pharmacies can be delayed and are difficult for providers to track; and

Whereas, if a patient’s clinical status changes from when the medication was ordered, the adjusted medication must be re-ordered from the third-party pharmacy, which can result in increases in canceled appointments, days to initiation of therapy, and frequency of past-due administrations; and

Whereas, day-of treatment changes lead to drug waste when an unused portion of the drug cannot be used for another patient, and practices and hospitals must then discard the unused portion of highly toxic drugs according to state and federal safety standards, creating additional administrative burden; and

Whereas, providers have no control over the shipping process, limiting their ability to prevent improper storage or mishandling of white bagged drugs; and

Whereas, a 2023 analysis found that, on average, bagging increased oncology patients’ out-of-pocket costs by $180 per month, or $2,160 per year; and

Whereas, since 2021, eight states have prohibited the use of payer-mandated white bagging; therefore be it

RESOLVED, that our American Medical Association urge state and federal policymakers to enact legislation to prohibit the mandatory use of white bagging (Directive to Take Action).

Fiscal Note: Modest - between $1,000 - $5,000

Received: 4/24/2024

REFERENCES

1. White Bagging Policy Brief. American Society of Clinical Oncology, 2024. https://society.asco.org/sites/new-www.asco.org/files/content-files/2024-White-Bagging-Brief.pdf
2. Komorny et. al, Payer site of care mandates with oncology medications: It's time to demand payer accountability on behalf of patients, American Journal of Health-System Pharmacy, 2023; zxad078, https://doi.org/10.1093/ajhp/zxad078
3. Shih YT, Xu Y, Yao JC. Financial Outcomes of "Bagging" Oncology Drugs Among Privately Insured Patients With Cancer. JAMA Netw Open. 2023;6(9):e2332643. doi:10.1001/jamanetworkopen.2023.32643
4. State of Play: White Bagging. American Society of Clinical Oncology. December 2023. https://society.asco.org/news-initiatives/policy-news-analysis/state-play-white-bagging#:~:text=Arkansas%20and%20Louisiana%20became%20the,added%20guardrails%20around%20the%20practice

RELEVANT AMA POLICY

Medication Brown Bagging H-100.951
1. Our AMA affirms that decisions to accept or refuse "brown bagged" (patient-acquired, physician-administered) pharmaceuticals be made only by physicians responsible for administering these medications.
2. Our AMA affirms that "brown bagged" pharmaceuticals be accepted for in-office or hospital administration only after the physician responsible for administering these medications determines that the individual patient, or his or her agent, is fully capable of safely handling and transporting the medication.
3. Our AMA will work with interested national medical specialty societies and state medical associations to oppose third party payer policies and legislative and regulatory actions that require patients to utilize "brown bagging" to ensure coverage of office-administered medications.
4. Our AMA will work with interested national medical specialty societies and state medical associations to oppose third party payer policies that reimburse office-administered drug costs at less than the provider's cost of acquiring the drug if the provider does not accept "brown bagging."