

Senator Thomas Umberg, Chair  
Senate Judiciary Committee  
California State Senate

Senator Anthony Portantino, Chair  
Senate Appropriations Committee  
California State Senate

April 26, 2022

Subject: Support for the Medication and Patient Safety Act of 2022 (California SB 958)

Dear Senators Umberg and Portantino:

The Infusion Providers Alliance (IPA) is pleased to announce our strong support for the Medication and Patient Safety Act of 2022 (SB 958), which, would prohibit health insurers from requiring patients to “white bag” their infused drug to a provider for drug administration.

The IPA represents in-office and freestanding ambulatory facility providers of drug infusion services nationwide, including 29 in California. Our members serve as critical access points of care for patients and save tremendous dollars for commercial and government payers alike while also lowering out of pocket costs for beneficiaries.<sup>1</sup>

### **Specialty Pharmacy Mandates Increase Costs and Adversely Impact Patients**

Recently, some insurance companies have instituted policies requiring biologic infused or injectable drugs to be procured exclusively through their specialty pharmacies. These changes undermine the provider-patient relationship and shift these sensitive prescribing decisions from the provider to an insurance company, leading to increased risk to patients and increased costs to the overall health care system. The proliferation of specialty pharmacy requirements also places a significant burden on providers to manage inventory from numerous pharmacies for numerous patients.

When insurance companies empower specialty pharmacy to control the distribution and prescribing of infused medicines, patients' health can be put at risk. Receiving the right medication at the right time is imperative for treatment of chronic disease.

Yet specialty pharmacies often do not provide the appropriate inventory to providers, harming their ability to ensure administration of the proper medication if a patient misses an appointment or if their prescribed dosage changes. Such a system only results in unnecessary wastage as medications cannot be reused, requiring the infusion center or provider office to procure a new drug, which can result in lapses in treatment. Delays in treatment cause serious health implications for patients.

### **White and Brown Bagging**

Some insurance plans also insert specialty pharmacy via “white bagging,” or distribution of patient-specific medication from a specialty pharmacy to the provider’s office, and “brown bagging,” or distribution of a medication directly to the patient (who takes the drug to a physician office for administration). These distribution channels can increase cost due to wastage because complex medications often require therapy modification before administration, but when a product has been previously dispensed, the medication cannot be repurposed for a different patient and must be discarded (1). Moreover, given that many of these products require very specific handling instructions (e.g., cold chain only) product integrity and chain of custody would be called into question.

In-office provider infusion centers can help reduce healthcare costs while improving patient experience and health outcomes without the need for a specialty pharmacy mandate. These care sites have been documented to be at least 50% lower cost than a hospital setting while maintaining the same quality standards and health outcomes (2). Furthermore, infusion centers improve patient experience and access compared to other alternatives such as in-home and can save overall healthcare costs by deterring adverse events and costs associated with patients failing to remain adherent to their prescriptions (3).

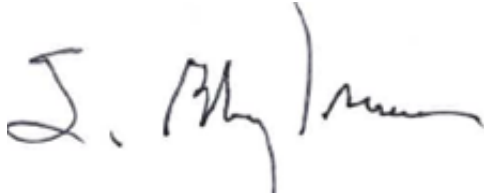
The Medication and Patient Safety Act of 2022 ([California SB 958](#)) would appropriately regulate insurance companies by prohibiting “... a health care service plan or health insurer...from arranging for or requiring a vendor to dispense an infused or injected medication directly to a patient with the intent that the patient will transport the medication to a health care provider for administration.” The bill would also prohibit a health plan from requiring to arrange for an infused medication to be administered in an enrollee’s or insured’s home as a condition of coverage.

On behalf of California patients and physicians who rely on their own decisions rather than an insurer to determine infusion drug distribution, we ask that the Senate Committees on Judiciary and Appropriations join their colleagues from the Senate Health Committee (which approved the bill unanimously on April 7<sup>th</sup>) in passing SB 958 and sending it on to Governor Newsome for his signature.

Sincerely,



Doug Ghertner  
President  
Infusion Providers Alliance



Brad Traverse  
Executive Director  
Infusion Provider Alliance  
[Brad.Traverse@infusionprovidersalliance.org](mailto:Brad.Traverse@infusionprovidersalliance.org)

- 
1. Catizone, Carmen. "White and Brown Bagging Emerging Practices, Emerging Regulation." National Association of Boards of Pharmacy. April 2018. [https://nabp.pharmacy/wp-content/uploads/2018/04/White-Bagging-and-Brown-Bagging-Report-2018\\_Final-1.pdf](https://nabp.pharmacy/wp-content/uploads/2018/04/White-Bagging-and-Brown-Bagging-Report-2018_Final-1.pdf)
  2. Bunger, Anna, Madeleine Cline, and Katie Holcomb. "Commercial Specialty Medication Research: 2019 Benchmark Projections." Milliman. December 2019. <https://www.milliman.com/en/insight/commercial-specialty-medication-research-2019-benchmark-projections>
  3. Giese-Kim, May Wu, et al. "Home Infliximab Infusions are Associated with Suboptimal Outcomes Without Cost Savings in Inflammatory Bowel Disease." The American Journal of Gastroenterology. July 22, 2020. [https://journals.lww.com/ajg/Abstract/9000/Home\\_Infliximab\\_Infusions\\_Are\\_Associated\\_With.99217.aspx](https://journals.lww.com/ajg/Abstract/9000/Home_Infliximab_Infusions_Are_Associated_With.99217.aspx)

---

<sup>i</sup> More information about the Infusion Providers Alliance can be found at: [www.infusionprovidersalliance.org](http://www.infusionprovidersalliance.org)