MAHP
MASSACHUSETTS ASSOCIATION of HEALTH PLANS

May 15, 2018

David Cutler, Committee Chair, Cost Trends Market Performance
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

Martin Cohen, Committee Chair, Quality Improvement and Patient Protection
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

Sara Sadownik, Deputy Director, Research and Cost Trends
Health Policy Commission
50 Milk Street, 8th Floor
Boston, MA 02109

re: Shifting Drug Distribution Channels

Dear Chairmen Cutler and Cohen, and Deputy Director Sadownik:

On behalf of the Massachusetts Association of Health Plans (MAHP), which represents 16 health plans that provide coverage to approximately 2.6 million Massachusetts residents, I am writing to provide comments on shifting drug distribution channels, often referred to as "white bagging" or "brown bagging". We appreciate the Health Policy Commission (HPC) engaging with stakeholders to seek input and we are pleased to offer our comments.

Based on responses from our member plans, the practice of requiring that certain drugs be sent from a specialty pharmacy directly to the patient who then transports it to the physician or facility to be administered by a clinician, often referred to as "brown bagging", and the practice of "white bagging", where a physician receives a specialty medication from the pharmacy and the patient visits the physician's office for administration, are not practices prevalent among MAHP health plans, including some of the state's largest commercial plans.

In almost all circumstances the practice of white bagging is not mandated by MAHP member plans. However, there are limited situations where it is more appropriate for health plans to purchase a prescription drug through a specialty pharmacy and then ship them to the provider for administration. For example, one health plan does require white bagging for *Synagis*, a drug which prevents respiratory syncytial virus infections. This drug is administered seasonally and the white-bagging process makes it easier for providers to ensure adherence to the medication and patient

safety. Further, health plans contract with specialty pharmacies because of their specific skills in managing patient care, handling and storage of these expensive drugs, and care management, including 24/7 pharmacy support. A pharmacist in a specialty pharmacy may only deal with one disease, such as cancer or HIV, and has specialized knowledge and expertise in the administration and side effects associated with these complex medications. Specialty pharmacies also employ dedicated teams of health care specialists that can help enrollees understand how to manage their medication and can help ensure that these drugs are administered at the most appropriate site of care. Through the utilization of specialty pharmacies and provider administration, our plans can guarantee improved safety.

To be clear, the practice of "white bagging" is the exception, not the rule, among MAHP member plans and is used in limited circumstances at the option of the provider. Health plans allow providers to acquire drugs under the practice of "buy and bill," where physician practices purchase drugs directly from a distributor and then bill plans the cost of the drug. One plan reports that all medical benefit drugs are available via buy and bill, and a small subset of drugs are also available via specialty pharmacy as a convenient option for providers. Two of our health plans note that while they maintain a list of drugs available for white bagging for some of their products, this practice is indeed optional and at the discretion of the provider if they do not wish to engage in "buy and bill." Our plans report that white bagging does not have a significant impact on member cost-sharing.

Conversely, our plans do have concerns about the practice of "brown bagging", especially if the member is unaware of how to store a drug with special handling requirements. In cases where brown bagging does occur, it is initiated by the prescriber and not by the health plan. It is our understanding that this practice is more common in certain plan types such as Medicare Part D and Medicaid plans.

Again, our plans do not widely engage in the practice of white bagging or brown bagging. In light of the contradictory testimony from some provider organizations who claim the practice is prevalent among the health plans, we believe a joint survey conducted by the Health Policy Commission in conjunction with Division of Insurance may provide greater clarity on the extent of this practice.

We appreciate the opportunity to offer comments as the Health Policy Commission considers the issue of shifting drug distribution channels. Please feel free to contact me directly should you have any questions or need additional information on our comments.

Sincerely,

Norman Han

cc:
Stuart Altman, Ph.D., Chairman, Health Policy Commission
David Seltz, Executive Director, Health Policy Commission