



Lifespan

Delivering health with care

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David A. Balasco, Esq.
Vice President

March 19, 2024

The Honorable Susan Donovan
Chair
House Committee on Health and Human Services
Rhode Island State House
82 Smith Street
Providence, Rhode Island 02903

Re: H7365 – An Act Relating to Insurance – Accident and Sickness Insurance Policies

Dear Chair Donovan:

We write to support H7365, an act which ensures patient choice in dispensing of clinician-administered drugs in Rhode Island.

The practice of “white bagging” occurs when insurance companies make coverage of needed patient-specific medications contingent on the medication being distributed from a third-party specialty pharmacy. Traditionally, in a hospital setting, a drug is dispensed to a patient by providers buying and then billing for the medication and its administration or it is purchased by the provider from its pharmacy of choice.

“White bagging” is becoming a more frequent mandate that prohibits providers from procuring and managing specialty drugs for their patients. Such a policy disrupts our carefully constructed systems of patient care. Insurance companies should not be able to dictate that a patient must depend on a pharmacy benefit manager to deliver their needed therapies to a healthcare facility. These policies present several challenges for patients and providers. Some of the most significant ones include:

Safe care for patients: White bagging has an impact on cancer patients. The policies have the potential to directly delay or disrupt the administration of an infused chemotherapy treatment to a patient.

Planning and preparedness: To ensure the highest quality of care and patient safety, providers must have a clear line of sight into the acquisition, storage and administration of medications. White bagging removes this safety measure.

Quality of handling: More complex medications require increased care and attention to ensure product quality control. When hospitals control and own medications, they can guarantee the

point of origin of the drug and are responsible for and can demonstrate a clear chain of custody to ensure the highest quality product.

Inappropriate shift in liability: Providers have primary responsibility for the safety of their patients which is impacted under white bagging.

Lifespan believes that patients and providers must have choice in obtaining clinician-administered drugs, and that payers should not be permitted to unilaterally require methods of distribution that disrupt the patient experience and impair the provider's ability to provide optimal patient care.

Accordingly, we appreciate your continued commitment to improve access and delivery of high-quality healthcare to all Rhode Islanders.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Balasco", with a long, sweeping horizontal line extending to the right.

David A. Balasco
Vice President, Government Relations