

White bagging 101

An overview of payer-imposed policies to shift specialty medications dispensing sites away from administering providers.

What is white bagging?

“White bagging” commonly occurs when insurance companies make coverage of needed patient-specific medications contingent on the medication being distributed from a third party specialty pharmacy versus allowing providers to buy and then bill for the medication and its administration. Provider flexibility and autonomy is critical in providing needed safeguards to more effectively coordinate care, ensure the safety of the product and provide for optimal medication use. Limiting coverage of needed medications by requiring white bagging complicates delivery and dispensing of medication, creates coverage and access barriers and, most importantly, harms patient care.

To better understand the implications of white bagging, Vizient surveyed our members, which includes academic medical centers, critical access hospitals, and physician clinics. The survey results make clear that patient safety risks and operational barriers are common challenges providers experience due to white bagging and/or brown bagging, a similar process, but one where medication is sent to the patient for transport to the site of administration.

White/brown bagging requirements risk patient safety and unnecessarily burden providers.

Patient safety risks

Delays in treatment and medication errors pose a significant risk to patients. The most common patient safety issues associated with white/brown bagging that Vizient’s members reported were:

- Products do not arrive in time for administration to patients since they are sent from a pharmacy after the prescription is issued, as opposed to more promptly using medications already on site
- Medication delivered was no longer correct (e.g., updated treatment course, dose changes)
- Wrong product sent

Supply chain security and integrity

White/brown bagging transactions may fall outside the scope of DSCSA’s requirements, weakening the ability for providers and dispensers to trace and verify products. In addition, product quality and integrity may be undermined due to poorly coordinated delivery logistics (e.g., timing of delivery, location, variable shipping temperatures, damage product) and disruptive inventory demands (e.g., separate inventories, storage limitations, wasted product).

Operational issues

Providers administering white bagged medications spend additional time coordinating coverage with the patient’s insurer, pharmacy benefit manager and dispensing pharmacy, in addition to correcting medication issues and dispensing medications.

What is the Drug Supply Chain Security Act (DSCSA)?

DSCSA, which is currently being implemented, outlines steps to build an electronic, interoperable system to trace prescription drugs distributed in the United States. Dispensers (e.g., retail pharmacies, hospital pharmacies) are required to receive, store, and in some circumstances, provide product tracing documentation, such as transaction history. A dispenser providing medication to another dispenser for a specific patient need or a pharmacy providing minimal quantities to a physician’s office, does not need to share this product tracing documentation, making it more difficult to track and verify medication, and facilitate recalls, among other benefits of DSCSA.



95%

The percent of respondents to Vizient’s white/brown bagging survey that experienced operational and safety issues associated with white bagging.

\$310M



Estimated labor expense required to manage the additional clinical, operational, logistical, and patient care work associated with white/brown bagging to prevent negative patient outcomes and medication waste.



\$114M

Spent on additional resources to manage coordination of patient and provider needs due to white/brown bagging

White Bagging vs Traditional “Buy and Bill” Coverage*

White bagging in a hospital outpatient setting	“Buy-and-bill” in a hospital outpatient setting
Medications are typically covered under pharmacy benefits and administration under medical benefits	Typically, both the medication and administration are covered under medical benefits
Drug moves through additional channels in the supply chain when it is mailed by the off-site specialty pharmacy to the provider for their pick-up, storage and administration	Drugs obtained directly by the provider from the manufacturer or wholesale distributor
Payer coverage policies require drugs be sent from “preferred specialty pharmacy”	Hospital selects wholesale distributor/ manufacturer to use to purchase the medication
<p>Impact on patient:</p> <ul style="list-style-type: none"> • Drug administration service can be delayed due to administrative issues (e.g., patient may have to grant additional permission to have product mailed to provider before the medication can be mailed) • Medications may be delayed due to mail/shipping • Medications may be improper based on most recent patient needs (e.g., updated lab results) • Medication integrity can be questionable (e.g., cold-chain product shipped from across the country; provider not made aware of shipment for pick-up) • Additional shipping creates more opportunity for theft or damage to the product so more time may be needed to confirm the product is safe • May help increase access to medications a provider does not stock <p>Impact on provider:</p> <ul style="list-style-type: none"> • Limits providers’ choice of trading partners and effectively forces the provider to create additional stocking and dispensing systems • Need to confirm the licensure of the specialty pharmacy • Determine whether the white-bagging policy is prohibited under state law (e.g., dispensing an already dispensed medication may violate state law) 	<p>Impact on patient:</p> <ul style="list-style-type: none"> • Limited to no delays in care due to coordination of product availability • Medication is readily accessible • Medication less vulnerable to logistical issues (e.g., shipping delays, improper medication) <p>Impact on provider:</p> <ul style="list-style-type: none"> • Provider has access to product’s DSCSA tracing information to better ensure supply chain safety and security • Limits the opportunity for additional waste due to product being “patient specific” and unable for use in treatment of another patient • Provider can ensure medication is aligned to current treatment pathway, considering both integrity and patient-specific needs • Provider has supplies and staffing needed for patient support and administration of their stocked medications • Secure and easily tracked delivery

* The above table provides a general depiction of commercial plan coverage policies.

Case study: A payer-mandated white bagging policy spirals to create untenable harm, as shown in this real-world example.

1. Day 1: Prior authorization (PA) submitted to patient’s insurance for oncology medications and told no PA is required.
2. Day 7: Hospital employee calls insurer to add a prescription and is told of the insurer’s white bagging policy and PBM’s prior authorization requirement.
3. Days 7-10: Hospital employees spend approx. 6 hours ensuring patient’s medications would be covered, including communications with insurer, PBM and specialty pharmacy. Patient consent was also needed multiple times.
4. Day 13: Hospital received some prescriptions, but one was missing. The white bagging policy delayed oncology care by nearly two weeks. In this time, the patient had a complication and never received the treatment.
5. The hospital works to ensure the patient’s family was reimbursed for the medication already purchased, but not administered.

“White bagging delays care for patients who need real-time dose adjustments to ensure the best outcome.”

ERIN FOX, SENIOR PHARMACY DIRECTOR, UNIVERSITY OF UTAH HEALTH

To learn more, please contact your Vizient representative or pharmacyquestions@vizientinc.com.