AIMED ALLIANCE

April 14, 2020

To: Tennessee Senate Committee on Commerce and Labor
Paul Bailey, Chair
Art Swann, 1st Vice Chair
Jon Lundberg, 2nd Vice Chair
Raumesh Akbari, Member
Dolores Gresham, Member
Jack Johnson, Member
Frank Niceley, Member
Steve Southerland, Member
Bo Watson, Member

Re: Amendment 1 to Tennessee Senate Bill No. 2847

Dear Members of the Senate Committee on Commerce and Labor:

Aimed Alliance is a 501(c)(3) nonprofit health policy organization that seeks to protect and enhance the rights of health care consumers and providers. Aimed Alliance is writing in support of Amendment 1 to Senate Bill No. 2847, which would allow individuals covered under a medical or pharmacy benefit contract to obtain specialty medications from their health care provider's office, without insurers imposing additional or higher fees, copays, or coinsurance.[1]

Typically, individuals obtain a specialty medication from their provider though a practice known as "buy and bill," whereby providers purchase medications in bulk through a specialty distributor and then bill the payer. However, health insurers are now beginning to require health care providers to purchase specialty medications through specialty pharmacies that ship medications to providers (i.e., "white bagging") or directly to the patient who must then transport the medication to the provider's office for administration (i.e., "brown bagging").[2] Amendment 1 to Senate Bill No 2847 would prevent insurers from 1) requiring white bagging and brown bagging; or 2) charging patients more if they choose not to comply with insurers' white bagging and brown bagging policies.

Buy-and-bill is the most commonly used distribution method for specialty medications because it allows health care practitioners to administer the treatment during the patient's first visit.[3] Additionally, health care practitioners can make any necessary dosing adjustments because they have sufficient stock available.[4] In contrast, white bagging requires the health care practitioner to order the patient's medication during the first visit, and then for the patient to return to the office for a second visit for the medication to be administered. This process can result in delays in care, especially if the patient is unable to return to the health care practitioner's office right away.[5]

---

[1] http://www.capitol.tn.gov/Bills/111/Amend/SA0585.pdf
[2] https://aimedalliance.org/wp-content/uploads/2019/12/BCBST-LETTER.pdf
[3] https://www.managedhealthcareconnect.com/article/alternative-distribution-strategies-buy-and-bill-and-white-bagging
[4] *Id.*
[5] *Id.*

202-559-0380 policy@aimedalliance.org www.aimedalliance.org @aimedalliance
3000 K Street NW, Suite 270 · Washington, DC 20007

White bagging also provides less flexibility to change medications or dosing regimens because the medication is not in stock and can result in increased administrative complexity.[6] Between the time that the medication is ordered and the time the patient returns to the health care provider's office to receive the drug, the required dosage or strength may have changed or the patient may have been transitioned to a different class of medication.[7] Such an instance, in which the medication is no longer needed, results in waste.

Brown bagging can be even more problematic. Practitioner-administered specialty medications include biologics, biosimilars, and other medications that are complex to manufacture, prepare, and dispose of.[8] They are often volatile and have strict handling and storage requirements that patients may not be equipped to meet.[9] Failing to comply with such requirements can compromise the safety and efficacy of such therapies. Yet, a health care practitioner may not be able to determine visually whether the drug has been compromised during transit. Additionally, similar to white bagging, there is a risk that the medication may be wasted if patient's disease progresses or if the practitioner cannot administer the medication in a timely manner and the medication expires. For these reasons, the American Medical Association opposes health insurers' policies that require patients to utilize "brown bagging" to ensure coverage of office-administered medications or that penalize practitioners that do not accept brown bagging.[10]

As such, individuals should be allowed to obtain their specialty medications directly from their providers through buy and bill without additional burdens such as additional fees, copays, coinsurance, and should not be forced to wait for their medications because insurers are mandating a white bagging policy. With that, we support the passage of Amendment 1 to Senate Bill No. 2847.

Thank you for considering our request. If you have any questions, please contact me at (202) 559-0380 or policy@aimedalliance.org.

Sincerely,

Stacey L. Worthy
Counsel

---

[6] *Id.*
[7] http://www.hematology.org/Advocacy/ASH-Testimony/2018/9096.aspx
[8] https://www.ama-assn.org/sites/ama-assn.org/files/corp/media-browser/public/about-ama/councils/Council%20Reports/council-on-medical-service/a16-cms-report10.pdf
[9] https://www.ama-assn.org/sites/ama-assn.org/files/corp/media-browser/public/about-ama/councils/Council%20Reports/council-on-medical-service/a16-cms-report10.pdf
[10] https://www.ama-assn.org/sites/ama-assn.org/files/corp/media-browser/public/about-ama/councils/Council%20Reports/council-on-medical-service/a16-cms-report10.pdf