

Making Health Care More Affordable with Lower-Cost Specialty Pharmacies

Everyone should be able to get the medications they need at a cost they can afford. But drug prices are out of control, and hardworking families feel the consequences every day. The problem is the price, and health insurance providers are working every day to lower drug prices for all Americans.

Health insurance providers have developed many innovative solutions to make prescription drugs more affordable, including leveraging lower-cost pharmacies – called specialty pharmacies – to safely distribute certain drugs (sometimes called either “white bagging” or “brown bagging”).

Using lower-cost specialty pharmacies saves money for patients and helps to make premiums more affordable.

Specialty pharmacies can deliver drugs directly to a physician’s office or to a patient’s home right before a patient’s appointment. This means that patients can avoid inflated fees and other costs that hospitals and physicians charge to buy and store specialty medications themselves. For example, specialty pharmacies can protect patients from a hospital’s markup for prescribed drugs, which on average run between 200-400% of the hospital’s acquisition cost.¹

In addition, specialty pharmacies can improve efficiency in health care delivery, which makes health care more affordable for everyone.

Specialty pharmacies protect patient safety.

Specialty pharmacies are used only for prescription drugs that may be safely delivered in this way. These lower-cost pharmacies are subject to the same “supply chain safety” requirements as any other dispensing pharmacy under the federal Drug Supply Chain Safety Act (DSCSA) and state licensing laws/regulations.

Specialty pharmacies also must meet **extra safety requirements** for specialty drugs imposed by the Food and Drug Administration (FDA), and by drug manufacturers. They also must satisfy stringent state and federal requirements for the safe storage, handling, and dispensing of the drugs.

Many specialty pharmacies employ clinical specialists that are available 24/7 to provide additional support to patients. In some cases, these clinical specialists directly administer these medications to patients.

Specialty pharmacies offer more value.

Specialty pharmacies ease the administrative burden for providers and hospitals. With specialty pharmacies, providers and hospitals do not have to spend valuable resources to seek reimbursement for the purchase of the drug, and they are still paid for the administration of the drug. This allows health care providers to focus on practicing medicine.

Specialty pharmacies improve health care affordability while protecting patient safety. AHIP encourages lawmakers to support the use of specialty pharmacies, and to reject policies that take away lower-cost choices from patients.

¹ <http://www.themoracompany.com/wp-content/uploads/2018/09/Hospital-Charges-Reimbursement-for-Medicines-August-2018.pdf>