

Senator Matt Klein, Chair
Senator Judy Seeberger, Vice Chair
Senate Commerce and Consumer Protection Committee
75 Rev Dr. Martin Luther King Jr. Boulevard
St. Paul, MN 55155



March 14th, 2023

Support for SF 482: Prohibit White Bagging Mandates in Minnesota

Honorable Chair Klein and Members of the Senate Committee,

Thank you for the opportunity to submit testimony in support of SF482: establishing requirements for pharmacy benefit managers and health carriers related to clinician-administered drugs.

For over 40 years, Minnesota Oncology (MNO) has delivered patient-centered, comprehensive, and compassionate cancer care in community cancer centers using best practices, state-of-the-art therapies and research which has made us the premier independent provider for patients in Minnesota. We have over 100 physicians and advanced practice providers at 12 different locations across the greater twin city metro area.

We believe that the passage of SF 482 is critical to preserving access to timely, personalized, community-based cancer treatment. MNO is Minnesota's only community-based oncology provider. We follow an advanced integrated care model that allows physicians to maintain a very close relationship with their patients throughout the course of their treatment. In our practices, highly trained physicians, and pharmacists safely stock, monitor, and administer our patients' treatment. Thanks to our longstanding practice of administering specialized infusion medications in an accessible community setting, our physicians provide our patients with highly personalized care that is more convenient and cost-effective than other models. We anticipate, without passage of SF 482, this seamless care delivery model will be fundamentally disrupted by insurance-mandated white bagging policies.

It is vital that any white bagging policy in the state not be mandatory. Given the numerous opportunities for error, delay, disruption, and waste, the decision to white bag cancer treatment should be left to the individual physician and practice providing the care. Only they can truly determine if it is appropriate to white bag a specific drug for a specific patient. MNO opposes insurer-mandated white bagging policies for the following reasons:

- **Delays in delivery of white bagged drugs delays treatment which can lead to disease progression and poor outcomes:** Under a white bagging approach, the physician orders the patients' drug in advance and must wait until the drug is delivered to the physician's office to provide treatment. This happens on a timeline that works for the specialty pharmacy delivering the drug rather than the timeline that best fits the patient's needs. Timing is critical when treating cancer and administrative hurdles or delivery delays can delay care by days or even weeks.
- **Any errors in quality or changes in dosage would result in significant waste to the system and cause even further delays:** Cancer therapies consist of complex and volatile drug regimens that are dynamic and frequently adjusted based on a patient's ever-changing circumstance (disease progression, weight variation, drug sensitivity, etc.). It is very common for an oncologist to make day-of adjustments to a patient's treatment plan based on weight or bloodwork taken in-office on the day of infusion. Since same-day adjustments are not possible under white bagging, any significant need for a change in the treatment plan would require the physician to re-order the drug, the patient to rerun on another day for the correct dose, and render the white bagged drug wasted.
- **While white bagging policies may result in savings for the health plan, these costs may be shifted to the patient in the form of higher cost sharing:** Since these drugs

are administered by a physician in-office, they are typically covered under the medical benefit in our patients' health plans. Medical benefits typically have lower cost sharing requirements, particularly if a patient has already hit their deductible or out-of-pocket maximum. When an insurer mandates a white bagging policy, the treatment is typically switched to the patient's pharmacy benefit where patients would experience higher cost sharing due to specialty benefit tiering. While the plan itself may experience overall savings, there is no guarantee these savings will be passed on to the patient.

- **White bagging policies also introduce significant complexity and increase administrative costs to community practices to maintain separate inventories for each applicable plan:** In addition to the administrative costs added by helping patients navigate their newly increased out-of-pocket cost, the practice would also have to increase staff to organize white bagging shipments, catalogue and check deliveries, and maintain more complex inventories so the white bagged medications can be appropriately stored and closely monitored.

On behalf of MNO, I urge you to vote in favor of SF 482. I am happy to answer any questions related to this important issue the committee may have.

Best Regards,

Dr. John Schwerkoske, MD
Practice President, Minnesota Oncology