

Item No. 4
Date received: 3/15/2022
Time received: 4:04 PM

**American Pharmacists Association
House of Delegates – March 18-21, 2022**

NEW BUSINESS

(To be submitted and introduced by Delegates only)

Introduced by: Javon Artis (APhA-APPM Delegate)
(Name)

2-15-2022 APhA-APPM Delegation
(Date) (Organization)

Subject: Procurement Strategies and Patient Steerage

Motion:

1. APhA supports medication procurement strategies that meet chain of custody standards for pharmaceutical products moving from one entity to another; ensuring the exchanges are accurate, timely, and follow best practices prior to administering the product to the patient; and preserve the economic viability of pharmacy practices.
2. APhA opposes required procurement strategies (e.g., site of care steerage, brown bagging, and white bagging) that restrict the patient's and providers' ability to choose treatment options that may lead to or result in fragmented care between the patient, pharmacist and other healthcare providers.
3. APhA calls for the creation of operational efficiencies that allow the patient's choice of pharmacy and site of care; do not restrict or delay care; and ensure continuity of care through collaborative efforts between providers that leads to optimal patient health outcomes.

Background:

Over the past years, more and more health systems have been affected by payer healthcare coverage policies, also referred to as 'bagging.' Payers have vertically integrated with pharmacy benefit managers (PBMs) and specialty pharmacies to be filled by a PBM-owned specialty pharmacy. Once the medications are filled, they are shipped either to the patient or directly to the patient's health system. Medications utilized in bagging policies are often intravenous drugs, requiring support by the provider for administration, wherein the provider is left with only the professional component of reimbursement.

The chain of custody for how medications are filled, transported, and administered differentiate the different bagging terms:

- Brown bagging: The patient picks up a prescription at a pharmacy and takes it to the provider's office for administration.

- White bagging: A specialty pharmacy, predominantly at the discretion of the provider, ships the patient's prescription directly to the provider, which holds the product until the patient arrives for treatment.
- Clear bagging: A provider's internal specialty pharmacy (e.g. Hospital-owned specialty pharmacy) dispenses the patient's prescription and transports the product to the location of drug administration.

Bagging policies ultimately impact the patients being treated. Common issues causing issues from bagging include: The most tangible provider opposition to bagging is grounded in lost revenue and reduced profit from the loss of margin from drug buy-and-bill. While supplemental to the professional component of reimbursement, it is often seen as covering the order, dose and sterile room preparation of infused therapies, the latter which has a significant fixed cost of facility. Outside of these financial considerations, white and other bagging does not mitigate, and may increase, handling costs associated with the drug. Providers incur costs for handling and storage in separate, patient-specific, inventory of product and associated assurance that the product is available and accessible (ex. associated disposable medical equipment (DME)), when the patient arrives for treatment. Beyond financial considerations, the logistical aspects have called into question the viability of white bagging and has been a point to ground consensus in opposition across provider and patient stakeholders:

- Therapeutics are patient-specific, wherein treatment regimen changes that exclude or minimize its use or in situations where the entire vial is not used, the medication must be discarded. The provider and patient (copay) bear the burden, similar to picking up a prescription which is then not used. Disposal may require costly special handling at the expense of the provider.
- Not only is storage still required but must be separate from buy-and-bill drugs as they are patient specific. Even among hospital pharmacies, white bagging can be a storage and logistics issue.
- As these drugs are processed as the patient's-specific medication, they do not go through the checks and balances of the order-entry system. Thus, pharmacy errors, from dosage to strength, may be more difficult to catch.
- As with any mail-order service, drugs are not always delivered to the right place or in-time for the patient's appointment. This can leave providers racing to institute alternative treatment plans. A point seized upon by legislators, as detailed below, this contrasts with buy-and-bill where the pharmacy has the drugs or ensures the distributor delivers the drugs in time.
- Additional handling costs may be incurred to comply with state laws; track-and-trace and drug pedigree laws, including the Drug Supply Chain Security Act, and other state laws

References:

1. Drug Supply Chain Security Act; Drug Supply Chain Security Act;
<https://www.govinfo.gov/content/pkg/PLAW-113publ54/pdf/PLAW-113publ54.pdf> Accessed 12/6/2021.
2. "ASHP Stands Opposed to Payer Mandated White Bagging" Accessed 3/18/2021
3. "White and Brown Bagging Emerging Practices, Emerging Regulation" NABP White Paper 4/2018.
4. Medication "Brown Bagging" CMS Report on the Council of Medical Service 2015.

Current APhA Policy & Bylaws:

2019: Consolidation Within Health Care

2017: Patient Access to Pharmacist-Prescribed Medications

2019: Referral System for the Pharmacy Profession

2004,1990: Freedom to Choose

1989: Impact of Drug Distribution Systems on Integrity and Stability of Drugs

1978: Post-Marketing Requirements

****Phone numbers will only be used by the New Business Review Committee in case there are questions for the delegate who submitted the New Business Item Content.**

New Business Items are due to the Speaker of the House by **February 16, 2022** (30 days prior to the start of the first House session). Consideration of urgent items can be presented with a suspension of the House Rules at the session where New Business will be acted upon. Please submit New Business Items to the Speaker of the House via email at hod@aphanet.org.