

KEY TERMS

White Bagging – a drug delivery arrangement where a specialty pharmacy ships a patient’s prescription directly to the provider’s office.

Clear Bagging – a drug delivery arrangement where a health system’s own specialty pharmacy fulfills and transports a patient’s medication within their health system to the location of the clinician’s drug administration site.

Buy-and-Bill – a drug delivery arrangement where providers acquire drugs and bill insurance for reimbursement.

Background

The most common method of drug sourcing and reimbursement involves providers acquiring drugs and billing insurance companies for the cost of the drug and its administration to patients. This method of reimbursement is referred to as “buy and bill.” As the cost of pharmaceuticals continues to rise,¹ alternative drug acquisition arrangements have proliferated in response. The use of buy and bill has increasingly been displaced in favor of insurer-mandated processes known as white bagging.

Payer white bagging policies require providers to obtain drugs through a payer-affiliated pharmacy. They are shipped directly to the clinician or hospital in charge of drug administration. According to a 2022 analysis, white bagging for oncology products accounted for 27% of sourcing in physician offices (a 9% increase from 2021) and represented nearly half of all of sourcing for non-oncology products.² Increased use of white bagging arrangements—and growing integration of specialty pharmacies with payers and Pharmacy Benefit Managers (PBMs)—has led to increased involvement by payer representatives in the planning, management, and delivery of anti-cancer therapy.³ Because white bagging shifts insurance coverage from the medical to the pharmacy benefit, patients can experience increased out-of-pocket costs.⁴

¹ Fein AJ. Mapping the Vertical Integration of Insurers, PBMs, Specialty Pharmacies, and Providers: A 2022 Update. <https://www.drugchannels.net/2022/10/mapping-vertical-integration-of.html>

² Fein AJ. Drug Channels: White Bagging Update 2022: Hospitals Battle to Boost Buy-and-Bill. <https://www.drugchannels.net/2022/09/white-bagging-update-2022-hospitals.html>

³ The American Hospital Association. Health Insurer Specialty Pharmacy Policies Threaten Patient Quality of Care | AHA. <https://www.aha.org/white-papers/2021-03-08-health-insurer-specialty-pharmacy-policies-threaten-patient-quality-care>

⁴ Shih YCT, Xu Y, Yao JC. Financial Outcomes of “Bagging” Oncology Drugs Among Privately Insured Patients With Cancer. *JAMA Network Open*. 2023;6(9):e2332643. doi:10.1001/jamanetworkopen.2023.32643

Efficient and timely delivery of anti-cancer drugs is critical to patient outcomes. Traditionally, chemotherapy is administered in a physician's office or outpatient clinic with drugs that have been procured through a careful process that is designed for safe handling, storage, and administration of hazardous drugs. Normally, this process is overseen by the treating physician's staff or internal hospital pharmacy once obtained from established procurement sources. The various checks in place protect against improper handling of toxic agents as well as dilution or exposure to elements that can modify or otherwise render the drug ineffective.³ White bagging and other alternative systems run the risk of bypassing these checks or shifting liability to parties who no longer control the procurement of drugs they are administering. This brief is intended to highlight the potential consequences and adverse effects of white bagging mandates for patients with cancer.

Concerns for ASCO Members & the Cancer Community

A significant limitation of white bagging is that payer-owned specialty pharmacies do not always have timely access to patient electronic health records (EHR). Oncologists prepare detailed, individualized treatment plans based on a patient's clinical circumstances, and the patient's clinical parameters can change frequently. PBMs often lack this information and may fill the prescription based on outdated or incorrect information. This not only affects quality; it also leads to increased pharmaceutical waste.⁵ White bagging can also interfere with timeliness of care, as shipments from specialty pharmacies can be delayed and/or difficult to track.⁶

Once treatment has been initiated, it is common for clinical circumstances to drive changes in timing and/or dosage during treatment. This can include factors such as a patient's weight, comorbidities, or updated lab values.⁷ These adjustments are relatively easy to make when an oncologist and their staff have an inventory of vetted materials on hand, but doing so becomes much more challenging under mandatory white bagging as the additional intermediary requires a greater deal of coordination, which can lead to delays in necessary oncology care.

In summary, white bagging has the potential to lead to disruptions in treatment, excessive waste, supply chain violations, and opaque practices by PBMs, all of which can jeopardize the delivery of high-value, high-quality care and impact patient safety, affordability, and outcomes.

Where ASCO Stands on White Bagging

ASCO recognizes that some providers and health care systems have achieved successful white bagging arrangements. However, the complexity and clinical dynamics of cancer treatment is such that white bagging arrangements may not be appropriate in all settings or systems. Mandatory white bagging

⁵ Kaplan DA. How 'White Bagging' Affects Patients, Physicians and 340B Funding. 2021;31. <https://www.managedhealthcareexecutive.com/view/how-white-bagging-affects-patients-physicians-and-340b-funding>

⁶ Hematology/Oncology Pharmacy Association. White Bagging Issue Brief. HOPA; 2022. https://www.hoparx.org/documents/60/White_Bagging_Issue_Brief_10.20.22_V.5.pdf

⁷ Texas Oncology. Safe Drug Delivery. <https://www.texasoncology.com/who-we-are/legislation-public-policy/safe-drug-delivery>

requirements can disrupt timely access to care, placing patients who cannot afford delays in treatment at risk of poorer health outcomes.^{3,6}

Payer-imposed white bagging in cancer treatment can pose an obstacle to the provision of high-value, high-quality care and ASCO opposes its mandatory imposition. However, we acknowledge that some practices may elect to enter white bagging arrangements with payers (referred to as “clear bagging”), which can offer specific advantages or efficiencies to those practices and their patients. In such arrangements, there is still a need to establish processes that assure timely and safe delivery of care.

For More Information

[ASCO Position Statement on White Bagging](#)

[ASCO Position Statement on Pharmacy Benefit Managers and Their Impact on Cancer Care](#)

[“Brown Bagging” and “White Bagging” of Chemotherapy Drugs](#)