PAYER-MANDATED
WHITE BAGGING MODEL

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2. Insurer mandates that the hospital send the prescription to a third-party mail-order specialty pharmacy instead of providing the medication using its own on-site or affiliated pharmacy.

3. Third-party specialty pharmacy receives the order, prepares the medication for an individual patient and ships it with a delivery company.

4. The product is shipped to the health system, which is responsible for receiving, storing, and managing the inventory whenever it arrives in the mail from a delivery service, often without notice.

5. If/when the medication arrives, the patient must return for medication administration.

6. If updates to the medication treatment plan are required based on changes in clinical status, the process begins again and treatment is delayed until the adjusted medication is ordered and received from the third-party specialty pharmacy.

Bypasing Safety Systems: Pharmacy ordering through a third-party specialty pharmacy bypasses comprehensive EHR safety systems and fragments medical records for patient prescriptions.

Separate Inventories Create Opportunities for Error: The third-party pharmacy sends medication dispensed for an individual patient to a health system — which typically maintains medication inventory in bulk supply — bypassing safety systems and creating opportunities for error with separate inventory systems.

Benefits to Insurer: White bagging allows insurers to steer business to their own pharmacies at the expense of hospitals and patients. In cases where hospitals refuse to accept white bagged drugs and provide drugs to patients in-clinic for safety reasons, hospitals will often receive no payment from the insurer, resulting in hospitals taking a loss while insurers profit from not having to pay for drugs administered to their members.

Supply Chain Logistics: A variety of supply chain issues may compromise the integrity of the product or delay delivery and treatment, such as misdirected mail or inappropriate shipping and storage conditions for temperature controlled medication.

Inability to Ensure Product Safety Standards: The health system often does not have a contract or affiliation with the third-party specialty pharmacy and cannot validate the quality or integrity of the product being delivered, including chain of custody or shipping and storage conditions.

Delays in Treatment: Changes in clinical status result in the need to re-order the medication from the external pharmacy, which delays patient care and can also result in drug waste.

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Avoids Delays in Treatment: Medications are provided to patients from on-site inventory and can be adjusted day-of based on the patient’s most up-to-date clinical status.

Streamlined Logistics: Patient medications are provided from on-site inventory, avoiding potential delays in shipping or delivery, misdirected mail, or other disruptions in medication delivery.

Adheres to Safety Protocols: Medications flow through standard safety channels, including medication ordering and management systems with built-in safeguards. This model avoids requiring the involvement of outside, third-party vendors, which may circumvent hospital safety systems.

Enhanced Care Coordination: The patient’s care and medication management is centralized with their healthcare provider, ensuring care coordination and avoiding medication record fragmentation.

Health system enters medication order into EHR, which provides comprehensive safety checks and a complete record of medication orders and administration.

The health system pharmacy prepares medication on the day of clinic infusion from its own inventory. Updates to the medication treatment plan resulting from changes in clinical status can be adjusted day-of, on-site to prevent delays in care.

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