



How You Receive Your Rx Matters: HOLDING PBM_s ACCOUNTABLE

Jennifer P. Ungru, Director of Government Affairs

Over the past few years, Florida has dug into pharmacy benefit managers (PBMs), focusing on transparency, developing regulations, and establishing protections for pharmacies.

A PBM is a company tasked with managing prescription drug benefits on behalf of health insurers, large employers, and other payers. PBMs negotiate with drug manufacturers and pharmacies to control drug spending. PBMs have a significant behind-the-scenes impact in determining total drug costs for insurers, influencing patients' access to medications, and determining how the payments for pharmacies.

In 2022, the three largest PBMs—which manage 80% of all prescriptions filled in the U.S.—excluded more than 1,150 medicines from their standard commercial insurance formularies (a list of medications covered by a plan.)

With such power over medication access, Florida will have to look at the different methods used for control. One attracting significant attention nationally is the chain of control for medications that require healthcare practitioner administration that cannot be self-administered.

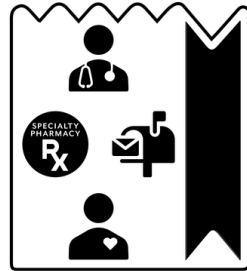
Medications are often intravenous drugs—such as infusions for oncology or rheumatoid arthritis—requiring the provider for administration. These medications may have potentially dangerous side effects. Additionally, these medications may have dosages needing to be carefully monitored, or may require equipment or training only available from hospitals, offices, or clinics.

Governor DeSantis announced comprehensive legislative reforms related to prescription drugs earlier this month, entering the color of the bag debate, also known as steering: As health insurers have expanded their portfolios to PBMs and specialty pharmacies are acquired by PBMs, there is increasing pressure for the PBM to maintain custody of the medication for as long as possible.

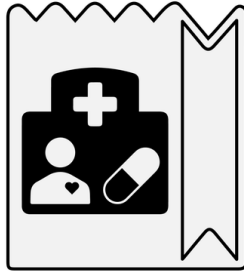
The chain of custody for how medications are filled, transported, and administered differentiates the various bagging terms:



BROWN BAGGING



WHITE BAGGING



CLEAR BAGGING

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 or payer, ships the patient's prescription directly to the provider, who holds the product until the patient arrives for treatment.

CLEAR BAGGING

A provider's internal specialty pharmacy (e.g., a health system-owned specialty pharmacy) dispenses the patient's prescription and transports the product to the location for drug administration.

Brown bagging as a process has become increasingly less common. However, PBM requirements for white bagging, when a specialty pharmacy ships the drugs to where the patient will receive the medication, is a growing trend.

There is a reason why these medications are clinician-administered. The need to adjust dosages based on clinical findings is not uncommon. Another concern is the potential delay in treatment if the medication doesn't arrive before the appointment.

While federal action on white bagging is limited, state legislatures increasingly focused on regulating PBMs and issuers in 2022. Specifically, state legislators are introducing white-bagging bills to prohibit payers and PBMs from mandating provider/patient use of specific pharmacies for provider-administered drugs as a condition of reimbursement or patient coverage. In 2021, three states enacted white bagging laws (AR, LA, VA). Keeping with this trend, at least 12 states considered white-bagging in 2022.

Florida was among the 12; however, the bill did not get a hearing. Now with Governor DeSantis's push for more accountability and transparency into PBM behavior, we may return our focus to better health outcomes.



Jennifer Ungru leads Dean Mead's Government Relations & Lobbying Practice. Having over 20 years of political, policy, and governmental experience, she works with a variety of clients on advocacy, strategic development and execution, policy initiatives, messaging, procurement strategy, and targeted crisis response/management.
jungru@deanmead.com | 850-999-4100