

## Survey on the patient care impact and additional expense of white/brown bagging

## Summary

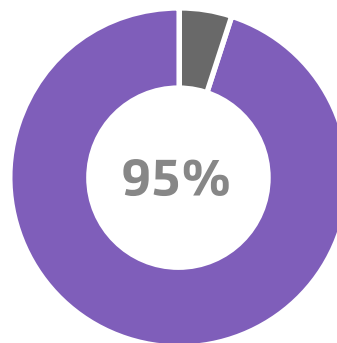
Patient access to specialty medications within a hospital-owned provider setting has long been facilitated through a buy-and-bill model. Under a buy-and-bill model, the hospital or provider would buy the medication and bill the payer for the product and its administration. This framework provides the needed safeguards for clinicians to more effectively coordinate care, ensure safety of the product and provide for optimal medication use, among other benefits.

**However, the growing trend of payer-imposed white/brown bagging complicates delivery and dispensing, creates coverage and access barriers, and most importantly harms patient care.**

Recent payer-imposed policies have forced the shift for many physicians and health systems from a traditional buy-and-bill model to one where specialty medications are dispensed from a third party, unaffiliated with the prescriber. This change can complicate access, create delivery and dispensing delays impacting speed to therapy for patients, possibly resulting in negative outcomes and more financial burdens.

Vizient, a health care performance improvement company with a membership consisting of more than 50% of the U.S. health systems and hospitals, conducted a survey of its members during March and April, 2021 on the impact of white/brown bagging on health system practices. A total of 268 respondents participated.

Notably, the survey found that 92% of respondents reported experiencing problems with the medication received through white/brown bagging including issues such as wrong drug, damaged product, dose not arriving in time for administration, and dose no longer appropriate due to patient's therapy changes. In addition, 95% of respondents reported facing additional operational and safety issues associated with white/brown bagging such as additional space requirements to manage patient specific medications, challenges incorporating 3rd party provided medications within existing inventory management and ordering systems (e.g. bar code scanning, IV pump library, IV workflow), and product delivered to incorrect locations.



**Of respondents experienced operational and safety issues associated with white/brown bagging**

***“When a medication is supplied from a mandated specialty pharmacy, we lose all control over the preparation, handling, storage and delivery of that product. When we can’t guarantee the integrity of the medication, we are not going to administer it to the patient. The provider and the patient trust us to provide the highest quality of product prescribed.”***

John Pastor, PharmD, FASHP, FMSHP  
System Vice President, Pharmacy & Respiratory Care  
M Health Fairview

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## Summary



# \$310M/YR

Estimated labor expense required to manage the additional clinical, operational, logistical, and patient care work associated with white/brown bagging to prevent negative patient and financial outcomes.

Based upon survey responses, Vizient estimated that health systems are spending \$310M annually in terms of labor required to manage the additional workload associated with white/brown bagging, and have spent an estimated \$114M on additional resources required to manage the excess coordination of patient and provider needs associated with white bagging.

The following report provides detailed insights into all survey findings.

For more information on these survey findings and Vizient resources related to white bagging, please email [pharmacyquestions@vizientinc.com](mailto:pharmacyquestions@vizientinc.com) or go to [vizientinc.com/whitebagging](http://vizientinc.com/whitebagging).



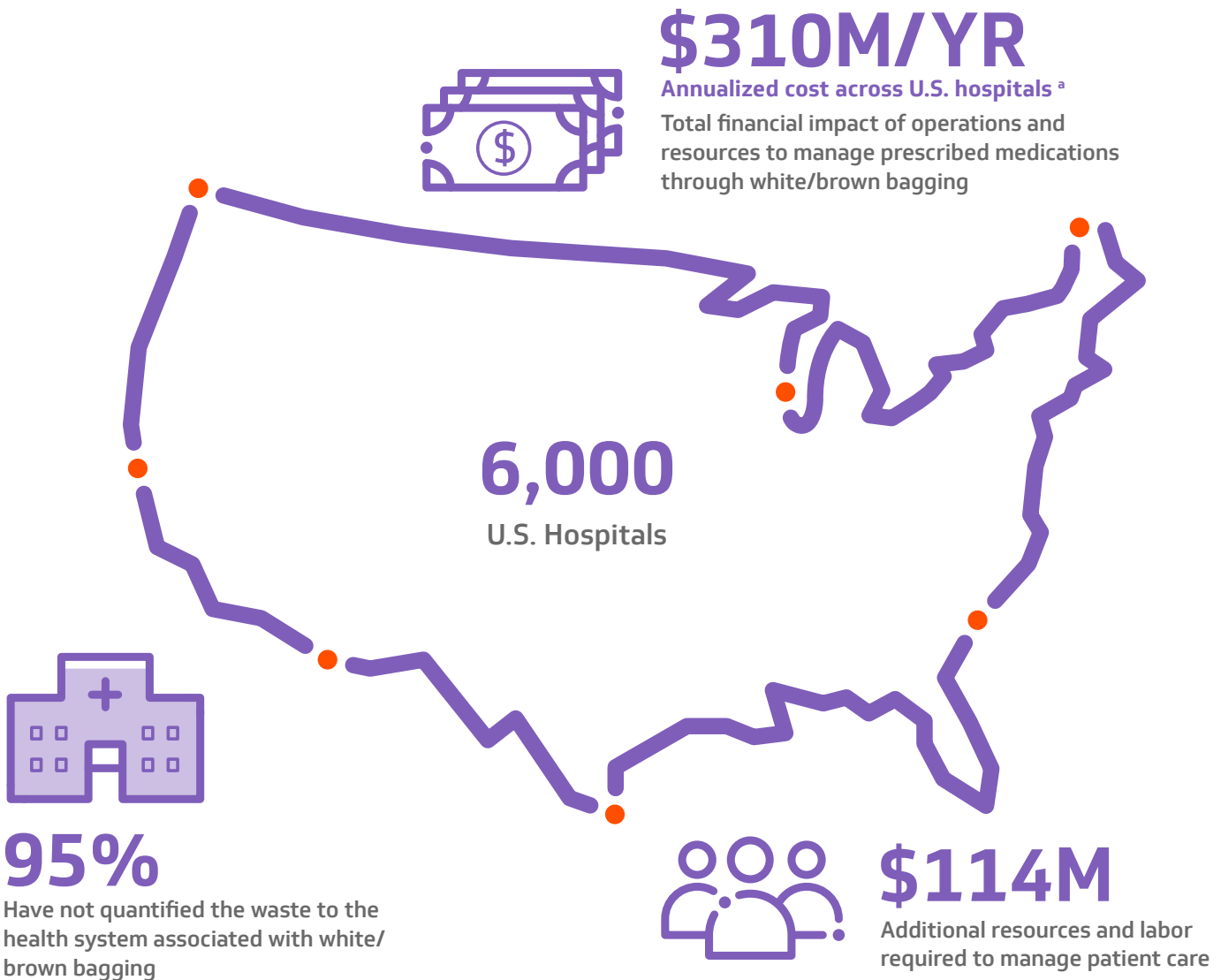
# \$114M

Amount spent thus far to hire additional prior authorization/administrative FTEs to manage these logistics.

## Overall impact of white/brown bagging

*“The impact of white bagging is real and it’s personal. It creates unnecessary anxiety for the patient and creates delays in patient care and treatment. I always try to imagine if this was someone in my family who was experiencing this impact.”*

Deborah Simonson, PharmD  
System Vice President, Pharmacy  
Ochsner Health

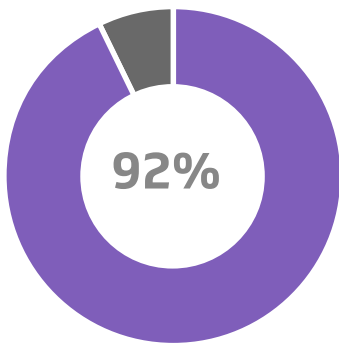


<sup>a</sup> Calculation does not include additional costs from direct purchases and other nontraditional distribution alternatives, and does not account for the impact of delays in patient care and other less quantifiable measures. U.S. hospital as defined by the American Hospital Association (<https://www.aha.org/statistics/fast-facts-us-hospitals>); definitive Healthcare “Hospitals and IDNs” database; Vizient pharmacy program participant data on file; hourly pay based on U.S. labor statistics (<https://www.bls.gov>); Vizient data on file.

## Top issues associated with white/brown bagging

*“White bagging delays care for patients who need real-time dose adjustments to ensure the best outcome. If 66% of people say they have received the incorrect dose for their patients, that's a real problem.”*

Erin Fox, PharmD, BCPS  
Senior Pharmacy Director, University of Utah Health



Survey respondents who experienced patient care issues due to problems with medication received through white/brown bagging

**N=143**

### Top issues respondents reported experiencing

83%

66%

42%

37%

27%

- Product did not arrive in time for administration to patient
- Product delivered was no longer correct due to updated patient treatment course or dose being changed
- Product delivered as inappropriate/wrong dose
- Product delivered was damaged
- Other

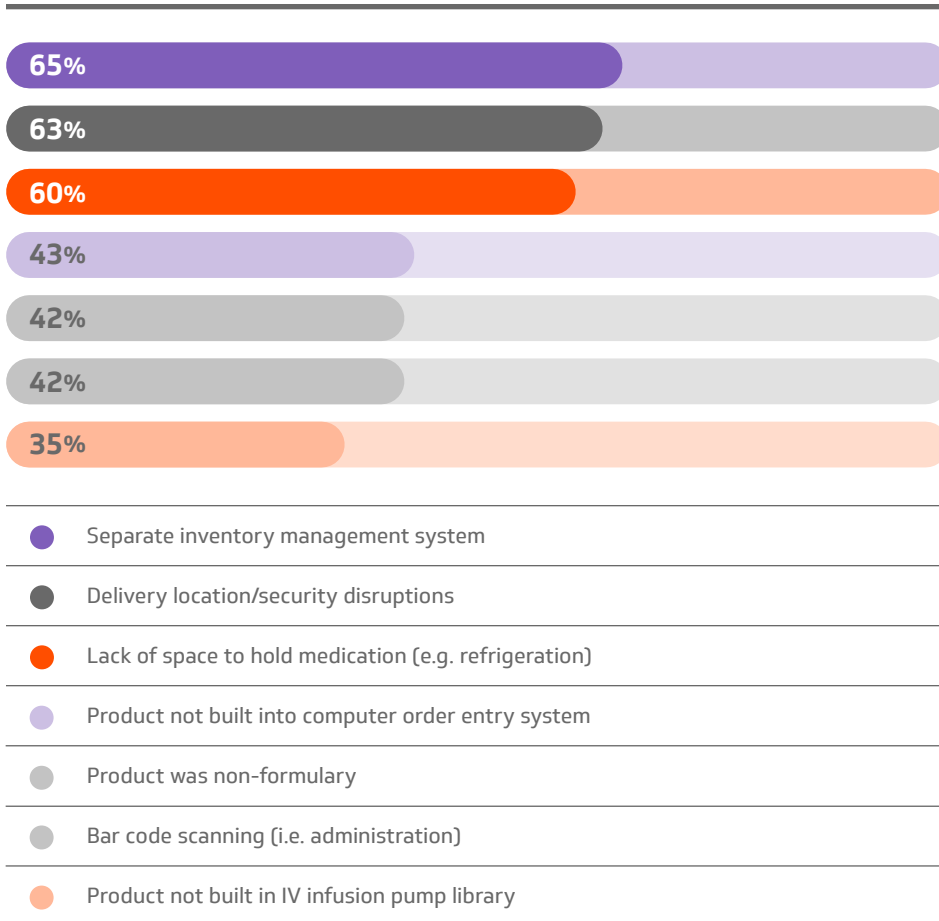
**N=143**

## Operational and safety issues associated with white/brown bagging

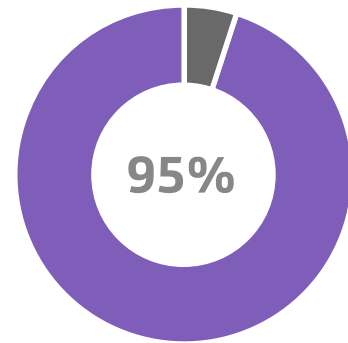
*“The treatment of patients who have cancer and other complex diseases is compromised when we cannot ensure the integrity of the medications they are receiving in our clinics. Patients also don’t know that when a drug is received via a “white bag,” it is not coming from the health-system.”*

Rita Shane, PharmD, FASHP, FCSHP  
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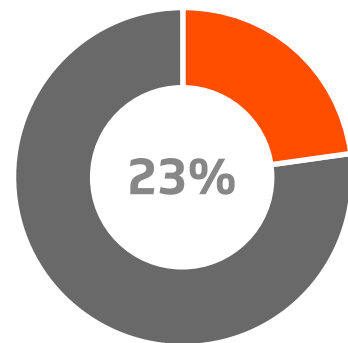
Percentage of respondents who reported experiencing the following pharmacy operations and product management issues that could impact patient safety



N=143



The percent of survey respondents who indicated operational issues associated with white/brown bagging practices



Hired additional staff to manage white/bagging range from 0.5 to 8 fulltime employees

N=155

## Impact to the health system



### Have established policy in place in attempt to prohibit white/brown bagging

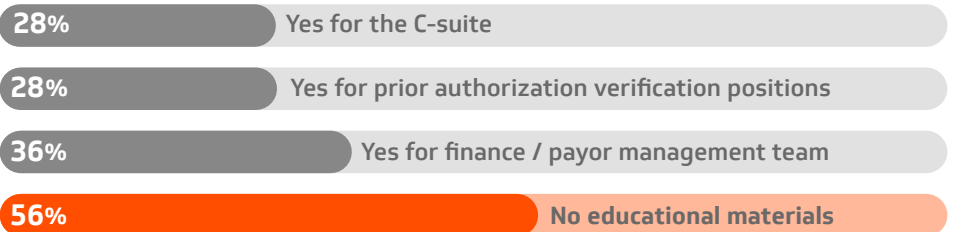


N=155

*Having a policy does not ensure an organization can prevent all payer mandated actions, but having a standard approach can help providers approach this challenge in a consistent fashion.*



### Developed educational materials on the impact of alternate channels and their effect on the hospital



N=145

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## Summary of survey findings

### 1. Disruption to most care settings

Payers' bagging dispense policies, especially white bagging, are impacting all types of care settings, including 340B facilities, academic medical centers, pediatric hospitals, critical access/rural hospitals, community hospitals and physician clinics. Survey respondents also indicated an impact to cancer centers, independent infusion centers and even rehabilitation centers.

### 2. Impact on patient care

For facilities that accept white or brown bagged medications, the majority experience issues that delay treatment due to not receiving the medication on time, not receiving the correct dosage, or receipt of the wrong product altogether. When treatment is delayed, most hospitals are using their own inventory of product to ensure a patient is treated on time.

### 3. Buy-and-bill model is currently the standard mechanism of reimbursement

At the time of this survey across various types of care settings, buy-and-bill was to be the primary dispense model, which reflects the value of this time-proven way to deliver critical medications.

### 4. Total impact to the care setting

While many hospitals and health systems have yet to quantify the total impact, the practice of white/brown bagging dispense models is taking a significant toll on operations, resources, revenue and most important, patient safety and quality care.

### 5. More information is needed to assess full financial impact

The majority of hospitals are not tracking or quantifying the overall financial impact of white/brown bagging due to additional incurred costs, which is estimated at \$310 million per year across hospitals in the U.S. In addition, most organizations have not quantified the totality of additional waste and expense introduced to health care by white/brown bagging.

### 6. Impact on additional labor and resources

In addition, the majority of U.S. hospitals are not tracking the cost of additional labor and resources required to manage patient care that is impacted due to issues related to white/brown bagging practices. Some are hiring additional staff, estimated at \$114 million across U.S. hospitals.

### 7. Managing operational challenges

The majority of hospitals that accept white or brown bagged medications are faced with operational challenges, including dealing with a separate inventory management system for the product, delivery location and security disruptions, and lack of space to hold the medication (such as required refrigeration). These operational disruptions lead to safety challenges, which further complicates patient care.

### 8. Preventing future disruption

More than half of the surveyed respondents have yet to establish internal policies defining their organization's approach to bagging requirements. While such actions are not guaranteed to prevent patient payer mandated strategies, they can help form a consistent response and help enlist the support of groups beyond pharmacy. White/brown bagging is not just a pharmacy issue.

*“Coordinated care within the health system is the best type of care we can deliver. The practice of white bagging disrupts this coordination, and at one of the most vulnerable points in a patient’s care – the administration of their medication infusion.”*

Christine Collins, MBA, RPh  
Vice President & Chief Pharmacy Officer  
Lifespan



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## Conclusions

Payer mandated actions related to medication acquisition and reimbursement can create significant additional cost, waste, inefficiency, and disruption to patient care. Given the concern about pharmaceutical expenses, these efforts will likely continue. Provider organizations who want to minimize these challenges should take the following steps to prevent additional expense and harm.

### 1. Understand and acknowledge the issue

Payer mandated actions, such as white bagging, impact patient care. If you have not developed a strategy to evaluate the extent of impact to your organization and your patients, you must take corrective action immediately. Metrics related to number of doses delayed, doses missed, and additional expense to patients are data elements that can help you define the problem and combat these intrusive activities.

### 2. Educate your financial and managed care leaders

White bagging and other payor mandated strategies are not just a “pharmacy” problem, but impact the totality of an organization’s ability to provide high quality, safe, and efficient patient care. Enlist the help of those who engage with the payer community and educate these colleagues on their responsibilities in finding solutions to this challenge.

### 3. Advocate for yourself and your patients

As seen in some states, a strategy to avert patient harm, prevent health care waste and unnecessary expense could be through legislation, regulation or working with state boards of pharmacy. With most policies happening at the state-level, consider engaging your state government relations colleagues to educate policymakers about the unnecessary hardship, cost and patient care concerns caused by payer-mandated “white bagging” and “brown bagging” policies.

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M Health Fairview

## Definitions

### White bagging

The mandated distribution of needed patient specific medication from a health plan-preferred specialty pharmacy to the physician's office, hospital, or clinic for administration.

### Brown bagging

The dispensing of a medication from a pharmacy (typically a specialty pharmacy) directly to the patient who then transports the medication(s) to the physician's office for administration.

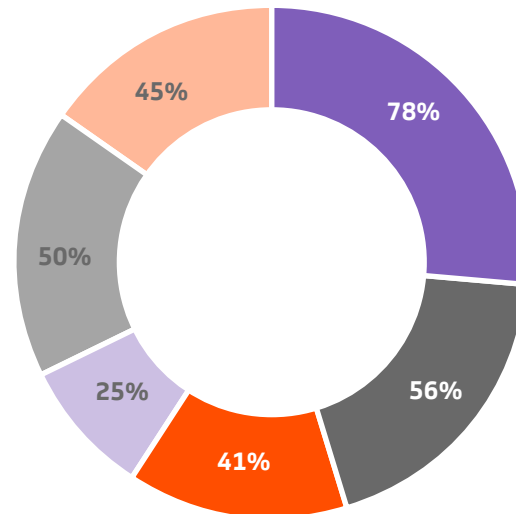
### Clear bagging

When a health system or provider practice maintains its own specialty pharmacy that provides prescribed medication directly to the clinic.

## Survey Questions

1. How many infusions are administered in your ambulatory infusion areas daily?
2. Which of the following issues have you encountered when managing pharmaceuticals provided through white bagging and brown bagging?
3. Which of the following operational and safety issues have you encountered when managing pharmaceuticals provided through white bagging and brown bagging?
4. Do you review denied billing/ inappropriate billing and/ or lost opportunity reports for bagged medications?
5. Do you have an established policy prohibiting white bagging as an acceptable practice at your institution?
6. Has your department developed educational materials on the impact of alternate channels and their effect on the hospital?

## Survey Respondents



### Responses by organization type

340B	Critical access
AMC	Community
Pediatrics	Physician clinics

N=268

### Total infusion in ambulatory setting

**41% of respondents have >150 total infusions administered daily**

N=241

Respondents represented 44 U.S. states. Not included are Alaska, Arizona, District of Columbia, Hawaii, Idaho, Maine South Carolina, South Dakota.

### Vizient Pharmacy Solutions

Vizient is moving pharmacy forward as a strategic contributor in a hospital's ability to serve communities with solutions across acute, non-acute, specialty, retail, 340B and home infusion care that reduce pharmaceutical spend, expand therapy access, improve outcomes and drive market performance.

- **Expansive portfolio** backed by our **scale of membership**, providing access, choice and value across all areas of spend
- **Industry-leading technology platform** that combines supply chain and clinical knowledge with data-driven insights
- **Experienced advisors** with operational and therapeutic class expertise in utilization, staffing, operations and regulatory compliance and focus on achieving lower cost of care
- **One united voice** amplifying the relevance of pharmacy to key policymakers



### Vizient, Inc

Vizient, Inc. provides solutions and services that improve the delivery of high-value care by aligning cost, quality and market performance for more than 50% of the nation's acute care providers, which includes 97% of the nation's academic medical centers, and more than 20% of ambulatory care providers. Vizient provides expertise, analytics and advisory services, as well as a contract portfolio that represents more than \$110 billion in annual purchasing volume, to improve patient outcomes and lower costs. In 2021, Vizient acquired Intalere, which expanded its footprint with ambulatory and rural acute care providers. Vizient has earned a World's Most Ethical Company designation from the Ethisphere Institute every year since its inception. Headquartered in Irving, Texas, Vizient has offices throughout the United States. Learn more at [www.vizientinc.com](http://www.vizientinc.com).

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To learn more, contact your Vizient representative or  
[pharmacyquestions@vizientinc.com](mailto:pharmacyquestions@vizientinc.com)

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