

March 28, 2022

The Honorable Richard Pan, M.D.
Senate Health Committee, Chair
1021 O Street, Room 1200
Sacramento, CA 95814

SUBJECT: SB 958 (Limon, Portantino) – Support

Dear Dr. Pan:

The Alliance of Catholic Health Care, which represents California's Catholic-affiliated health systems and hospitals, is pleased to support SB 958 (Limon, Portantino). The Alliance represents California's Catholic-affiliated health systems and hospitals and together, our health systems operate 51 acute care hospitals, which represent nearly 15% of all hospitals and over 16% of the hospital beds in California.

Our member hospitals are committed to the safe, timely delivery of life-saving medications for our patients. Unfortunately, a recent change in third-party payer practices jeopardizes Californians' health, safety, and well-being by restricting access to critical medications — and places the health plan and its third-party vendors between patients and providers.

Vulnerable patients with complex diagnoses — including such diseases as cancer and multiple sclerosis — and their providers should feel confident that medications administered have been safely stored and handled and will be available when their appointments are scheduled. However, some health plans have begun to require physicians and hospitals to order medication from a third-party vendor contracted with the health plan, on a patient-by-patient basis, instead of using medication the hospital or physician's offices have in stock. As such, these policies threaten patient and medication safety — since they are not part of a hospital's or physician's office's quality control protocols, the provider has no way of assuring drug integrity. In addition, if medications are not delivered in a timely manner or have to be re-ordered due to same-day clinical presentations, patient care can be delayed, causing them unsafe and undue stress.

Further, the provider-patient relationship is a foundation of clinical care. Practices that alter this foundational relationship may impact not only a patient's care but, ultimately, their outcomes.

To address these concerns, we are pleased to support SB 958, which would prevent health plans from mandating the use of third-party vendors for specialty medications in certain circumstances. While SB 958 does not prohibit this practice (referred to as "white bagging"), it provides a framework for when white bagging is appropriate and for ensuring patient safety and medication integrity.



*Representing California's Catholic
Health Systems and Hospitals*

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Page 2

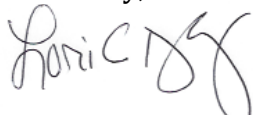
Many patients with serious and life-threatening diseases need medications that are infused or injected at an outpatient hospital facility or in a doctor's office. Health care providers keep these specialty medications in stock — so that they are available in the form and dose whenever needed by a patient — and take primary responsibility for patient and medication safety. White bagging removes providers from the process of acquiring and managing medications, and instead places the responsibility with health plans and its vendors. This has resulted in time delays, increases the opportunity for error, and expands administration costs for the provider.

In addition, while white bagging may present an initial cost savings to health plans, increased costs for hospitals and physician's offices to manage inventory on a patient-by-patient basis, plus the real patient costs of delayed care and disease progression both outweigh and potentially cancel any savings to the health care system.

SB 958 would protect patients by preventing delayed care, suboptimal care, patient distress, and unnecessary hospital admissions by ensuring that patients have timely access to safe medications.

For these reasons, we thank Senators Limon and Portantino for their leadership on this critical patient safety issue and urge your support of SB 958.

Sincerely,



Lori Cappello Dangberg
Executive Vice President

cc: Senator Monique Limon
Senator Anthony Portantino
Members, Senate Health Committee
Teri Boughton, Consultant, Senate Health Committee
Joe Parra, Consultant, Senate Republic Caucus