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To: Senate Committee on Health and Welfare

From: Christine Cooney, Cigna State Government Affairs Manager, New England

Re: S. 242

Dear Chair Lyons and Members of the Committee:

For background, Cigna Corporation is a global health service company dedicated to improving the health, well-being and peace of mind of those they serve. Cigna delivers choice, predictability, affordability and access to quality care through integrated capabilities and connected, personalized solutions that advance whole person health. All products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Cigna Health and Life Insurance Company, Connecticut General Life Insurance Company, Evernorth companies or their affiliates, and Express Scripts companies or their affiliates. Such products and services include an integrated suite of health services, such as medical, dental, behavioral health, pharmacy, vision, supplemental benefits, and other related products. Cigna maintains sales capability in over 30 countries and jurisdictions, and has more than 175 million customer relationships throughout the world.

We respectfully oppose S. 242 which would restrict the practice of “white bagging” which is a way to safely deliver drugs directly to a physician’s office before a patient’s appointment while protecting patients from inflated fees and other costs or markup that hospitals and physicians charge to buy and store specialty medications themselves. As both a health insurer and pharmacy benefit manager with specialty pharmacies, Cigna can bring a unique perspective to the conversation.

It is important to note that the drugs this legislation is affecting are specialty drugs. For context, 90% of the prescriptions filled are generic and account for 20% of total drug spend. Branded drugs are 10% of the prescriptions filled, while accounting for 80% of total drug spend. **Specialty drugs are a subset of branded drugs, accounting for 2% of the prescriptions filled but over half of our total drug spend, 51%.** These are very expensive drugs for a small patient population, and specialty pharmacies provide them at a significantly lower cost than hospitals. If we are unable to negotiate prices to make these drugs affordable and accessible, the total cost of care for Vermonters will rise.

Our specialty pharmacies have several proprietary practices to ensure patient safety and medication integrity specifically related to shipping medications. Additionally, specialty pharmacies have robust policies in place to conduct a complete medication and medical profile review and provide comprehensive therapy management for patients. This process is designed to limit potential adverse reactions and improve patient adherence and outcomes. Additionally, white bagging generates savings for plan sponsors and their members, ultimately reducing premiums.

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Passing this legislation as drafted takes away a tool from plan sponsors to control costs that will be borne by Vermont consumers and businesses. If it should move forward, we would respectfully ask the author ensure accessibility by limiting the provider mark-up or tying the reimbursement to wholesale acquisition cost (WAC).

Patient safety is a high priority and we strive to ensure that patients receive their drug safely. It is important to recognize that specialty pharmacies are accredited by URAC, The Joint Commission, or another nationally recognized accrediting organization. If the bill moves forward, it should include language to ensure that any provider or pharmacy handling these high-cost, high-touch drugs is also accredited by a nationally recognized organization.

Cigna has a dedicated Specialty Care Options team that provides high-touch case management support for infusion therapies and coordination of services to all Cigna-contracted specialty pharmacies for timely dispensing of a drug to an administering provider. This team also supports providers who have questions or concerns relating to our white bagging reimbursement restrictions.

It might be helpful to understand that our policies contain various exceptions or overrides that account for specific urgent or time-sensitive scenarios. Cigna has an exceptions process in place to permit medically necessary drugs subject to white bagging restrictions to be delivered to patients. Some examples of exceptions include:

- Cigna may grant approval for the initial dose to allow time to coordinate subsequent infusion deliveries with one of Cigna's contracted specialty pharmacies.
- If there is a chance a customer may miss a dose while waiting for delivery from a contracted specialty pharmacy, Cigna may grant approval for coverage of a subsequent dose to a facility when medical necessity is met. The Specialty Care Options team makes these determinations on a case-by-case basis.
- Cigna may provide a broader exception for a provider that agrees to reimbursement terms that are within our established targets.

We would appreciate the opportunity to work with the bill sponsor and committee members to improve this proposed legislation, should it move forward this session or in the future. Depending on the issue the legislature is specifically attempting to address, additional considerations could be given to language around shipment tracking details and authorized signatures for delivery, confirmation by the provider and member of date/time/location of delivery, etc. These would provide further safety measures and include the planning and preparation guardrails of the medication for distribution.

By keeping cost-containment measures intact and codifying safety guardrails, we can ensure safe, accessible, affordable prescription drugs.

Once again, thank you for the opportunity to weigh in on this proposed bill. If you have any questions, please do not hesitate to contact me at (804.904.3473) or Christine.Cooney@cigna.com.

Sincerely,

Christine Cooney

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