February 28, 2024

Senator Jesse Bjorkman, Chair
Senate Committee on Labor and Commerce
BELTZ 105
The Alaska State Legislature
120 4th Street
Juneau, AK 99801

Dear Chair Bjorkman and Members of the Senate Committee on Labor and Commerce,

The Denali Oncology Group and the Association for Clinical Oncology (ASCO) are pleased to support **SB 121**, which would provide comprehensive pharmacy benefit manager (PBM) reform and prohibit mandatory white bagging and all brown bagging requirements from insurers so that patients can obtain clinician-administered drugs from their health care providers, thereby preserving timely and consistent delivery of high quality, patient-centered care.

The Denali Oncology Group's primary mission is to promote, plan, support, represent, advocate for, and conduct educational and scientific activities to facilitate improvements in the practice of oncology and the delivery of care to patients for the benefit of the citizens and residents of the State of Alaska. ASCO is the world's leading professional society representing physicians who care for people with cancer. With nearly 50,000 members, our core mission is to ensure that patients with cancer have meaningful access to high-quality, equitable cancer care.

Traditionally, the acquisition of anti-cancer drugs is managed in the independent practice or hospital setting where chemotherapy administration is overseen by the treating physician. The practice or hospital pharmacy purchases, stores, and administers these agents under strict handling and administration standards.

Although clinicians prepare detailed treatment plans, drug regimens often change on the day of treatment due to clinical circumstances. Administration may be adjusted according to criteria, such as patient weight, comorbidities, lab reports, guidelines, and other clinical data. Brown bagging and mandatory white bagging policies remove the physician's ability to control the preparation of drugs. Under a mandatory white bagging policy, insurers require physicians to obtain drugs purchased and handled by payer-owned or affiliated pharmacies, while under a brown bagging policy payers require the drug to be shipped from a pharmacy directly to the patient to bring to the provider's office for administration. Both policies require additional coordination with patients and physicians and could delay or disrupt treatment plans and decisions. Day-of treatment changes can lead to a delay in care if a physician must place a new order, requiring the patient to return on a later date to receive their treatment. This can result in significantly decreased chances of a successful clinical outcome for the patient as well as potential adverse effects on patient health, including toxic reactions.

When treatment plans are modified on the day of treatment, brown bagging and mandatory white bagging policies can also lead to waste if an unused portion of a previously dispensed drug cannot be used for a different patient. Many anti-cancer drugs are highly toxic and require special handling when discarded. The burden of unnecessary waste related to white bagging and brown bagging falls to practices and hospitals, which must dispose of drugs according to state and federal requirements.

Additionally, the Denali Oncology Group and ASCO applaud efforts in this measure to promote accountability in the PBM industry and target anti-competitive PBM business practices. We are opposed to PBM requirements that steer patients towards the exclusive use of PBM-owned or affiliated pharmacies. PBMs are increasingly shifting drug dispensing away from physicians and toward pharmacies the PBMs own or are affiliated with, which can negatively impact patient care and access. Some PBMs require that patients use only their proprietary specialty pharmacy for certain drugs, despite the possibility that the patient could access the drug more cheaply and quickly from a different pharmacy.

Finally, the Denali Oncology Group and ASCO also support language that would prohibit the use of gag clauses by PBMs. Gag clauses are contractual requirements that prohibit a pharmacist from informing patients about lower-cost drug options which could include simply purchasing the drug for cash rather than using insurance. In these circumstances, patients could avoid costs that may be solely due to the PBM payment structure. Pharmacies should not be prevented from sharing with patients their most cost-effective option for purchasing needed medications.

The Denali Oncology Group and ASCO are encouraged by the steps SB 121 takes toward protecting cancer patients in Alaska and we urge the Committee to support the measure. For a more detailed understanding of our policy on this issue, we invite you to read the ASCO Position Statement on White Bagging and the ASCO Position Statement on Pharmacy Benefit Managers and Their Impact on Cancer Care by our affiliate, the American Society of Clinical Oncology. The Denali Oncology Group and ASCO welcome the opportunity to be a resource for you. Please contact Nick Telesco at ASCO at Nicholas.Telesco@asco.org if you have any questions or if we can be of assistance.

Sincerely,

Mary Klix, MD
President
Denali Oncology Group

Everett Vokes, MD, FASCO
Chair of the Board
Association for Clinical Oncology