



**DIRECTIVE 22-EX-5**

TO: ALL INSURERS OFFERING HEALTH PLANS IN GEORGIA

FROM: JOHN F. KING  
INSURANCE AND SAFETY FIRE COMMISSIONER

DATE: AUGUST 30, 2022

RE: THE PRACTICE OF WHITE BAGGING

---

Recently, a practice known as “white bagging” has come to the attention of the Department. “White bagging” refers to the distribution of patient-specific medication from a pharmacy, often a specialty pharmacy, to a physician’s office, hospital, or clinic for administration. For example, it is often used in oncology practices to obtain costly injectable or infusible medications that are distributed by specialty pharmacies and may not be available in all non-specialty pharmacies.

While this practice does offer some benefits to patients, providers, and payers, the practice also raises significant concerns. The Department is still studying the effects of white bagging on Georgia consumers and will issue further appropriate regulations when that study is complete. However, the Department can conclude that the practice of white bagging may create patient protection issues, especially in the context of oncology treatment. Moreover, in rural parts of the state, the practice of white bagging puts increased stress on patients and hospitals who may not be able to obtain necessary drugs from local pharmacies.

Accordingly, I am issuing the following directive to all entities offering health plans in Georgia. The practice of white bagging is prohibited at any hospital in the state designated as a “Critical Access Hospital” by the Centers for Medicare & Medicaid Services. Additionally, the practice of white bagging is also prohibited at any hospital not designated as a Critical Access Hospital that is located 30 miles or more from another hospital. Nothing in this directive shall prohibit a health plan from notifying a patient that they may receive savings from utilizing the practice of white bagging.

---

JOHN F. KING  
INSURANCE AND SAFETY FIRE COMMISSIONER  
STATE OF GEORGIA