White Bagging LARC Devices: How It’s Working / How It’s Not

Discussion
Payment for Devices with Health Insurance

- Hospital orders the LARC and is responsible for stocking
- Physician inserts the LARC and bills for the insertion
- Hospital bills Medicaid for the device to be paid in full outside the DRG
“White Bagging” or Specialty Pharmacy*

- Provider calls Medicaid/specialty pharmacies
  - LARC is charged to patient’s Medicaid ID number.
  - Device is shipped overnight to the office

- 30 days to insert the LARC
  - Opportunity for patient outreach

- Device is returned to the pharmacy if the patient does not show or changes their mind
  - Device fee is credited to the patient’s Medicaid

*Outpatient
“Buy and Bill” or Pharmacy Medical Benefit*

- Provider orders devices out of pocket
  - Devices are shipped directly to the practice
- Upon insertion, the provider bills patient’s insurance for the device and insertion
- Reimbursement for the device is contingent on patient demand
  - Challenges: Over/under ordering devices

*Outpatient
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Discussion