Specialty Pharmacy Continuum

Policy

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NHIA Predicts Victory For Home Infusion Pay

After years of frustration with a Medicare reimbursement scheme that fails to cover their costs, leaders in the field of home infusion are optimistic that they are on the cusp of a major victory.

Congress appears poised to pass the Medicare Home Infusion Site of Care Act of 2015 (S. 275/H.R. 605), a bipartisan piece of legislation that, if signed into law, would correct a number of long-standing errors in the way home infusion services are reimbursed. In so doing, S. 275/H.R. 605 would give millions of Medicare beneficiaries access to home care, along with all of the clinical, financial and psychosocial benefits that such care provides, advocates noted.

"We have been working on this legislation since the beginning of this Congress, although it's legislation that, in this form, has existed over several past Congresses," said Tyler Wilson, the president and CEO of the National Home Infusion Association (NHIA), in Alexandria, Va. "The thrust of the legislation is to provide coverage for home infusion services, which are not covered by Medicare, despite being covered by many private and commercial insurers."

The key word is *services*. The majority of home infusion drugs are largely covered under Medicare Part D, Mr. Wilson said. However, the costs of providing services at the home care site are not. These include pharmacy services, such as compounding and preparing infusion drugs, nursing services, supplies and the costs of delivering those supplies, he pointed out. Moreover, in many cases, pharmacists and nurses must be on-call to monitor patients.

There is one slight exception, noted Kendall Van Pool, the NHIA's vice president of legislative affairs: Under the durable medical equipment (DME) benefit offered in Medicare Part B, the costs of infusion pumps, drugs and other supplies are covered for just under 30 infusion drugs. However, since most home infusion drugs are reimbursed under Part D and not Part B, the DME benefit only helps a fraction of home infusion patients.

“Clearly, the way that home infusion is covered right now is very fractured,” Mr. Wilson said. “The appropriate way to do this is to bring it all together and make sure that it’s covered in a way that a Medicare beneficiary could work through the system, and make sure that all their home infusions are covered.”

Infusion Confusion

Most private and commercial insurers appreciate the distinction between the costs of services and supplies and those of drugs, and offer separate reimbursements for each, Mr. Wilson said. However, until recently, home infusion providers have not had much luck at making the distinction, and its significance, clear to legislators. This much is apparent from a report by the Office of the Inspector General of the U.S. Department of Health & Human Services that was released in 2013, and reissued in 2015, pertaining to the DME benefit under Medicare Part B. The report stated that the Centers for Medicare & Medicaid Services could save tens of millions of dollars per year by basing reimbursements for home infusion drugs covered by the DME benefit on average sales prices (ASPs), rather than on average wholesale prices.

“The problem is, if they do that and change that reimbursement structure, services will then go unreimbursed,” Mr. Van Pool said. “Right now the drug reimbursement is basically picking up the services. What we’ve always proposed, for years now, is that if you’re going to change the reimbursements for Part B DME drugs, there has to be an acknowledgement via per diem payment for the services that are associated with those drugs.”

Reasons for Optimism

Thus far, attempts to pass legislation in support of ASP pricing have been unsuccessful. These attempts include two bills that were introduced to the House and Senate on Dec. 16 that contained the ASP pricing provision, S. 2409 and H.R. 4273, which were not acted upon. Following inaction on those two bills, another bill, S. 2425, was introduced on Dec. 18 by Sens. Rob Portman (R-Ohio) and Bob Casey (D-Pa.). This bill did not include the ASP pricing provision, and was passed into law on Dec. 28.

“We are happy that the legislation did not include the ASP pricing provision,” Mr. Van Pool said. “We continue to urge Congress to not impose ASP pricing without consideration of the Medicare Home Infusion Site of Care Act of 2015. Through our efforts in December, we have called even more attention to the need to get the Medicare Home Infusion Site of Care Act of 2015 legislation passed.”

Indeed, Mr. Van Pool added, “We’re feeling quite positive with the approach we’re getting from Sens. Isakson (R-Ga.) and Warner (D-Va.), and Reps. Engel (D-N.Y.) and Tiberi (R-Ohio). There’s an opportunity here to really get something done, and we feel that this larger solution really has

some legs."

The Road Ahead


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Wayne Grau

More good news for home infusion patients and providers came on Dec. 18, with the passage of the fiscal year 2016 Omnibus Appropriations bill, which did not include the ASP pricing provision. However, the stakeholders in this ongoing struggle "must remain vigilant," emphasized Wayne Grau, the vice president of legislative affairs for Managed Health Care Associates (MHA) Inc., which has been working closely with the NHIA to assist with grassroots efforts to educate legislators on this issue. "Whenever a bill costs money, Congress has to determine a way to pay for it," Mr. Grau said. "This money [the reported savings from the ASP pricing provision] is out there, so someone's going to try to use it for something else."

Echoing comments made by Mr. Van Pool, Mr. Grau said the goal of MHA and the other stakeholders in this issue is to ensure that, when the ASP pricing is raised, it becomes part of the larger discussion about reimbursing home infusion providers for supplies and services.

To that end, Mr. Grau said the Medicare Home Infusion Site of Care Act of 2015 is the best available solution to this problem. At the moment, he noted, the bill is being reviewed by the Subcommittee on Health in both the House and the Senate, which reports to the Energy and Commerce and Ways and Means Committees in the House, as well as the Finance Committee in the Senate.

Once the bill is voted on by each of these subcommittees, they will undergo a process of review by the larger committees; and then, once the Senate and the House vote on their individual bills to create a congruous version of the bills, the act will be ready to be signed or vetoed by the president, Mr. Grau explained.

The most important thing for stakeholders to keep in mind, he added, is that legislators want to hear from them. "It's not that Congress doesn't care; it's that Congress doesn't know about home infusion," he said. "They want to understand these issues. If we want them to understand the negative consequences, or even the positive consequences, of a piece of legislation, we have to reach out to them."

—Ajai Raj

None of the sources reported any relevant financial relationships beyond their stated places of business.

The Benefits of Home Infusion

By whatever metric is used—be it patient safety, quality of life or cost savings to the health care system—providing Medicare reimbursement for home infusion services simply makes good sense, according to Logan Davis, PharmD, a pharmacist with experience providing home infusion services and the director of Franchise Development at Vital Care Inc., a home infusion and specialty pharmacy company, in Meridian, Miss., that is on the board of the National Home Infusion Association.

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"With home infusion therapy, we can keep patients out of hospitals and nursing homes, and in a more cost-effective site of care, both for patients and for the health care system overall," Dr. Davis said. He cited a report by Avalere Health, a health care consulting firm commissioned by the NHIA, which found that providing reimbursements for home infusion services under an NHIA-proposed framework would save Medicare nearly $80 million over 10 years. This figure is based on a comparison of current Medicare expenditures on infusion services across the available sites of care—hospital outpatient departments (HOPD), physicians' offices, HOPD together with physicians' offices and skilled nursing facilities—with calculated expenditures after the migration of a certain percentage of patients from each setting to the home site of care. Specifically, the report anticipates that 50%, 10%, 20% and 23% of patients in each of these treatment settings, respectively, will migrate to home infusion therapy.

Dr. Davis noted that the Avalere figure is likely to be a conservative estimate, because it includes only anti-infective drugs, which account for a fraction of all home infusion medications. Supporting these findings, another study, published in *Pharmaceutical Commerce* in 2009 (http://goo.gl/v7pgvf (http://goo.gl/v7pgvf)), cited the cost of infusion in the hospital setting as $1,500 to $2,500 per day, versus $150 to $200 per day at the home site of care.

By moving more patients to home infusions, "we'd be able to reduce ER visits and hospital readmissions, and reduce patients' length of stay in the hospital," Dr. Davis said. Besides providing a cost benefit, that strategy also would protect patients against the risk for hospital-acquired infections. A 2009 report estimated that hospital-acquired infections cost the health care system anywhere between $28 and $45 billion per year, according to a 2009 report from the Centers for Disease Control and Prevention (http://goo.gl/nQwNrO (http://goo.gl/nQwNrO)).

For elderly patients, the stakes are potentially even higher. As it stands now, Dr. Davis explained, the lack of reimbursement for home infusion services forces many patients to go to nursing homes for their care—a situation he called "an injustice to our seniors." In many cases, he explained, "we don't know what a patient's situation is: They may have jobs to get back to, families to take care of," all of which can be disrupted by an unplanned or unanticipated move to a long-term care facility. "The benefit of covering these services at home is that it opens up doors to our seniors that have been closed for such a long time," Dr. Davis stressed.

"In my mind, getting the math right is why this legislation hasn't been passed in previous attempts," he added. "With Medicare trying in other areas to move patients out of the hospital, I think this flows with a lot of other reforms we're seeing. I think the time is right."

—*Ajai Raj*