Medicare coverage of and payment for home infusion

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September 16, 2011
Presentation roadmap

- What is home infusion?
- Report request and work in progress
- Current status of home infusion under Medicare
  - What Medicare covers
  - Medicare utilization and expenditures
- Plan for report and next steps
What is home infusion?

- Infusion of IV drugs in a patient’s own home

Components of home infusion:

- Drug (e.g., IV antibiotics, parenteral nutrition)
- Supplies (e.g., tubing, catheter)
- Equipment (e.g., pump, pole)
- Nursing

- Patient and/or caregiver is typically trained by a nurse to independently administer the drug
Congressionally requested home infusion report due June 2012

- Literature on the benefits and costs of home infusion coverage
- Sources of data on the costs of home infusion that could be used to construct a payment methodology
- Payment methodologies used by private plans and MA
- Any issues surrounding potential abuse of a home infusion therapy benefit in Medicare
- Recommendations requested if the Commission determines changes to coverage or payment are warranted
Work in progress

- Interviews with: health plans, home infusion providers, discharge planners, physicians, and other experts
- Literature review on costs/benefits of home infusion
- Analysis of Medicare data on current use of and expenditures for home infusion
Medicare coverage of home infusion

- Coverage of home infusion is spread across silos

- Drug coverage
  - Part B covers: DME drugs, parenteral nutrition, IVIG
  - Part D covers: drugs not covered by Part B and on plan’s formulary

- Coverage of supplies, equipment and nursing generally depends on:
  - is the drug covered by Part B or Part D?
  - is the beneficiary homebound?
Medicare coverage of home infusion

- Part B covered drugs generally:
  - Not homebound: drugs, supplies, equipment covered
  - Homebound: drugs, supplies, equipment, nursing covered

- Part D covered drugs:
  - Not homebound: drugs covered
  - Homebound: drugs, some supplies/equipment, nursing covered

- In cases where Medicare covers only some components of home infusion, the beneficiary may:
  - receive coverage through other sources (e.g., ESI, Medicaid),
  - pay out-of-pocket, or
  - receive care in another setting (e.g., HOPD, physician office, SNF)
Medicare Advantage coverage

- Some MA plans have broad coverage of home infusion
  - MA plans can provide a bundle of home infusion services (Part D drugs, supplies, equipment, and nursing) as a Part C supplemental benefit with no cost-sharing
  - Bundled home infusion services are offered by 219 plans (accounting for 15 percent of MA enrollment)
- Less is known about the extent of coverage for home infusion among MA plans that do not bundle
Medicare use of and expenditures on home infusion, 2009

- Number of beneficiaries using home infusion drugs:
  - 36,000 FFS beneficiaries used Part B covered infusion drugs
  - 101,000 Part D enrollees used Part D covered infusion drugs

- Medicare Part B/D expenditures:
  - $602 million under Part B for drugs, supplies and equipment
  - $422 million for Part D covered drugs
## Top three Part B and Part D home infusion drugs, 2009

<table>
<thead>
<tr>
<th>Home infusion drug</th>
<th>Part B/D drug spending (millions)</th>
<th>Percent of Part B/D home infusion spending</th>
<th>Number of users</th>
<th>Percent of Part B/D home infusion users</th>
<th>Percent of Part B/D home infusion users</th>
<th>Average spending per user</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part B</strong></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
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<tr>
<td>Parenteral nutrition</td>
<td>$159.0</td>
<td>35%</td>
<td>4,745</td>
<td>13%</td>
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<td>$33,511</td>
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<tr>
<td>Treprostinil</td>
<td>$123.6</td>
<td>27%</td>
<td>977</td>
<td>3%</td>
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<td>$126,490</td>
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<tr>
<td>Immune globulin</td>
<td>$64.5</td>
<td>14%</td>
<td>2,040</td>
<td>6%</td>
<td></td>
<td>$31,615</td>
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<tr>
<td><strong>Part D</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Immune globulin</td>
<td>$139.6</td>
<td>33%</td>
<td>2,007</td>
<td>2%</td>
<td></td>
<td>$69,541</td>
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<tr>
<td>Antibiotics</td>
<td>$70.2</td>
<td>17%</td>
<td>56,196</td>
<td>55%</td>
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<td>$1,250</td>
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<tr>
<td>Alpha - 1 proteinase inhibitor</td>
<td>$68.8</td>
<td>16%</td>
<td>843</td>
<td>1%</td>
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<td>$81,607</td>
</tr>
</tbody>
</table>

Note: Drug spending refers to program payments and beneficiary cost sharing for Part B and plan payments and beneficiary cost sharing for Part D.

Source: MedPAC analysis of results from Acumen, LLC analysis.
Home infusion utilization patterns

- Part D home infusion use was higher among:
  - LIS beneficiaries
  - PDP enrollees
  - Certain beneficiary groups (minorities, age 85+, disabled, ESRD)

- Part B home infusion use was higher among disabled beneficiaries and those with ESRD
Home health use

- Nursing services are covered under the home health benefit for homebound beneficiaries
- High rate of home health use among beneficiaries receiving IV antibiotics
- Lower rate of home health use among beneficiaries receiving other Part D drugs (e.g., immune globulin, alpha-1, parenteral nutrition additives)
Plan for upcoming meetings and report

- Findings from interviews with plans, providers, and stakeholders. For example:
  - How private plans and MA cover and pay for home infusion
  - Plans’ prior authorization policies and other management
  - Factors that providers and plans consider in determining if a patient is appropriate for home infusion
  - Beneficiaries’ experience

- Cost implications of home infusion coverage
- Fraud and abuse issues
- Policy options if the Commission wishes to pursue them