

Medicare coverage of and payment for home infusion

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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

Roadmap

- Medicare coverage of home infusion
- Findings from interviews with plans, providers, and stakeholders:
 - Factors that providers and plans consider in determining if a patient is appropriate for home infusion
 - How private plans and MA cover and manage home infusion
 - How plans pay for home infusion
 - Medicare beneficiary experience
- Next steps

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?

Findings from interviews on use of home infusion

- We interviewed physicians, health plans, home infusion providers, hospital discharge planners and other stakeholders
- These interviews are ongoing
- We cannot independently validate the accuracy or generalizability of the information they provided

Factors that affect appropriateness of home infusion

- Drug characteristics (e.g., risk profile of the drug, need for multiple drugs in the course of a day)
- Patient characteristics (e.g., patient or care giver is able and willing to administer the drug, home has reliable refrigeration, electricity, water supply)
- Insurer coverage (e.g., drugs, nursing if needed, equipment and supplies)

Plan management of home infusion

- All health plans use prior authorization to assure home infusion is appropriate
- They ask for diagnosis, drug, dosage, and expected duration of therapy
- Physicians and providers said process was generally not burdensome
- Plans also do post-payment reviews
- Integrated plans may take primary responsibility for coordinating care

Potential abuse of home infusion benefit

- Plans said abuse of home infusion benefits was no more prevalent than for other services
- Utilization management activities helped deter and prevent abuse
- Problems encountered included inappropriate prescribing, double-billing under pharmacy and medical benefit
- Claims analysis found some questionable claims

Home infusion requires coordination among multiple groups

- Physicians (e.g., determine need and appropriateness, write order, continue care after discharge)
- Hospital discharge planners (e.g., work with physician to determine appropriateness, check coverage, make referral and arrange for safe discharge)

Home infusion requires coordination (cont'd)

- Home infusion providers (e.g., get authorization for drug, prepare and deliver drug, refer to home health if necessary, communicate lab results to physician)
- Home health agencies (e.g., educate patient, draw blood, monitor line and catheter, check for medication errors)

Private insurers' payment methodologies for home infusion

- Most plans structure payment into three components
 - Drugs
 - Per diem for supplies, equipment, pharmacy and non-nursing services
 - Nursing (per visit)
- Some plans pay with broader per diem bundles or use a capitated approach

Beneficiary experience

- Dual-eligible beneficiaries, beneficiaries with employer supplements, and enrollees in some MA plans have easiest access to home infusion
- Out-of-pocket costs for home infusion influence site of care for some beneficiaries
- Interviewees gave varied accounts of:
 - which OOP costs were most significant (i.e., per diem supply costs, Part D coverage gap)
 - where patients sought care if home infusion costs were prohibitive (i.e., SNFs and/or outpatient clinics)

Next steps

- Assessment of sources of data on cost of home infusion
- Cost implications of Medicare home infusion
- Other ideas?