

# NEW CMS' DATA DEMONSTRATES SEVERE IMPACT OF RECENT POLICY CHANGES ON HOME INFUSION REIMBURSEMENT

A comprehensive review of recently published data from the Centers for Medicare and Medicaid Services (CMS) shows that reimbursement for infused drugs associated with the Home Infusion Transitional Services payment dropped substantially more than estimated by the Congressional Budget Office (CBO). Moreover, as CMS' interpretation of the statute limits the scope of reimbursement for professional services, NHIA is concerned that this new data demonstrates challenges in patient access under a benefit that is not financially viable for providers.

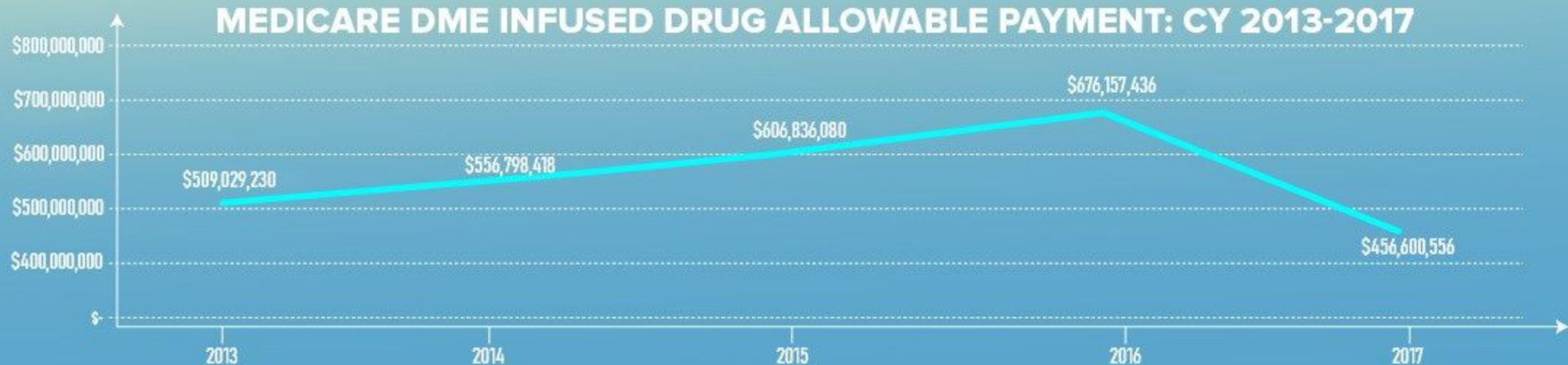
## REDUCTION IN PAYMENT FOR DRUGS

In November 2016, the CBO estimated that reducing payments for home infusion drugs would save **\$660 MILLION** over the course of the 10-year budget window, and **\$30 MILLION** in 2017.

However, new data shows the actual reduction in payment in 2017 alone was **\$220 MILLION** over seven times CBO's initial estimate. This represents a **32%** reduction in payments to providers for DME infused drugs as a result of changing the reimbursement methodology from Average Wholesale Price (AWP) to Average Sales Price (ASP), without any additional payments for services (until 2019).



**MEDICARE DME INFUSED DRUG ALLOWABLE PAYMENT: CY 2013-2017**

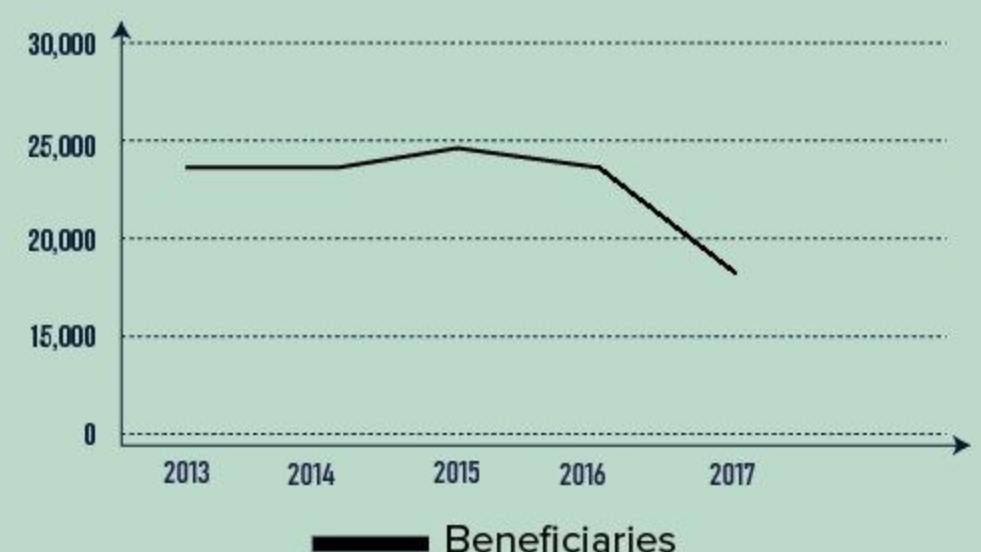


## IMPACT ON PATIENT ACCESS

Following the steep drop in reimbursement for Medicare Part B home infusion drugs in 2017, there has been a precipitous impact on patient access to this benefit. Indeed, based on the publicly available data, 20 percent fewer Medicare beneficiaries received DME infused drugs in 2017 compared to 2016. In fact, what had been a slight upward trend in from 2013 to 2016 has since taken a sharp turn downward.

As CBO has concluded, the negative impact on patient access to home infusion also comes at a cost to federal taxpayers. According to a July 2017 report, "After [the] reduction in payment rates for drugs administered through DME was implemented, evidence suggests that many beneficiaries now receive their infusions in physicians' offices or hospital outpatient departments instead of at home." And because the payment rate for infusions in the home is lower than in the hospital outpatient setting, any decrease in access to home infusion is expected to be met with an increase in federal spending.

**DME INFUSED DRUGS: BENEFICIARIES SERVED**

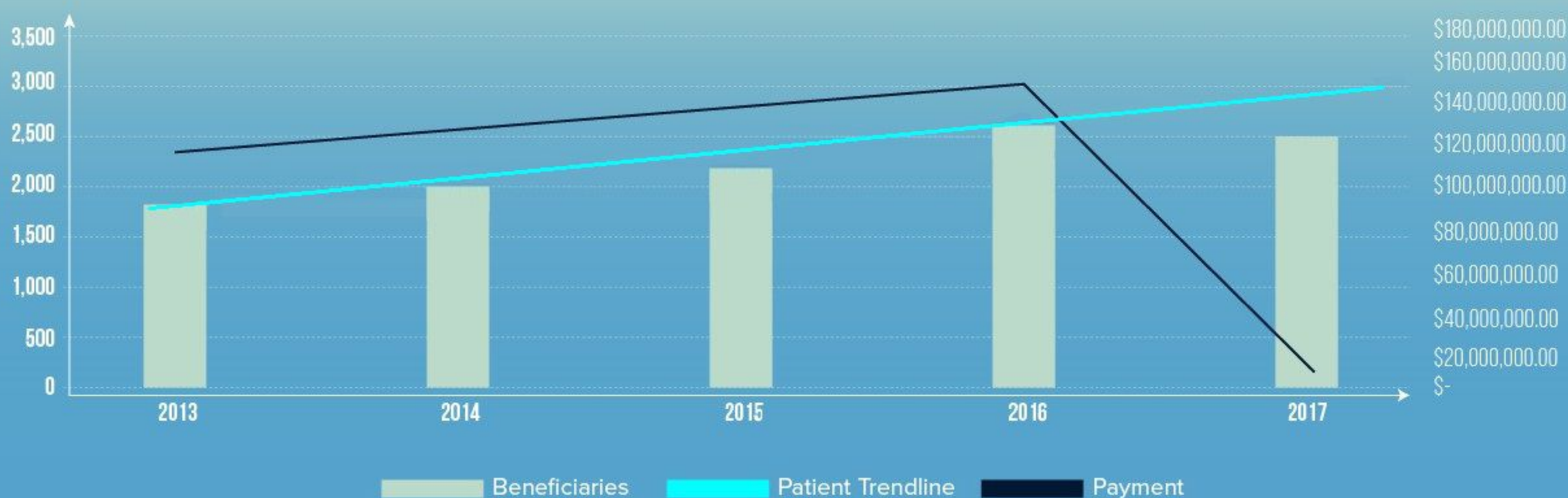


# KEY ISSUES IN CBO SCORING

Among the key issues that may have led to CBO's inaccurate estimate of the reduction in payment for DME infused drugs, it's important to note that milrinone (J2260), a last resort medication for patients with advanced congestive heart failure, did not have a published ASP when CBO calculated its score. The reduction in payment for this drug alone was \$145 million between 2016 and 2017 — more than a 90 percent reduction.

In practice, beneficiary utilization of this drug had been trending upward at about 10 percent a year between 2013 and 2016, which may be associated with the growing number of eligible beneficiaries. But in 2017, utilization began trending downward. Additionally, the number of suppliers providing this service had been trending upward through 2016 but began trending downward in 2017 — a troubling trend considering that home infusion represents a relatively small provider base compared to other DME items.

## MILRINONE PAYMENT AND PATIENTS SERVED



## CONCLUSION

Home infusion is a safe, cost-effective, convenient alternative for patients when other settings are impractical or unavailable, when transport outside the home is a burden, or when home administration can improve quality of life. As it is currently implemented by CMS, the Medicare Part B home infusion professional services benefit is not a viable reimbursement model to support this valuable benefit

Without access to home infusion providers, more beneficiaries will receive care in higher-cost, higher-risk care settings such as the hospital outpatient setting. Therefore, NHIA is urging CMS to release details regarding how recent changes in policy are affecting access to care under the DME programs as well as data regarding cost of care associated with providing these DME infused drugs in other sites of care.

