Estimating the Federal Budgetary Impact of Shifting Patients Infused with Anti-infectives from the Outpatient Hospital to the Home Setting

The Medicare Part B Home Infusion Benefit (HIT) was established on January 1, 2021, to provide coverage for professional services for the infusion of certain drugs and biologicals in the home.[i] Additionally, a separate Part B Durable Medical Equipment (DME) benefit covers the drugs administered in the home that require the use of equipment (e.g., an infusion pump), as well as the supplies and equipment needed for that service.

While two benefits facilitate home infusion, both have significant gaps that result in inadequate provider reimbursement and increased patient liability. For example, the HIT and DME benefits do not cover most home infusion of anti-infective therapies. Instead, Medicare beneficiaries needing anti-infectives either receive treatment in the more costly outpatient setting or pay for the drugs for use at home through the Medicare Part D benefit. While the Part D benefit allows the beneficiary to receive treatment at home, they must pay separately for non-covered items and pharmacy services.

To provide broader and more comprehensive home infusion coverage to the Medicare population, the following policy changes could be considered:

- Expanding access to the HIT benefit for beneficiaries on any anti-infective therapy, including those covered by Part D
- Providing reimbursement for pharmacy services on non-nursing days in a manner comparable to the commercial benefit
- Replacing the existing payments for disposable supplies in DMEPOS with a supply bundle paid each infusion day

In 2022, an estimated 361,735[ii] Medicare fee-for-service FFS patients were treated with select anti-infective therapy in the outpatient hospital setting. If Medicare redesigned the HIT benefit to expand coverage, then many more Medicare beneficiaries could receive treatment at home. This could result in meaningful federal savings. For example:

- If 25% of outpatient hospital beneficiaries received anti-infectives at home, federal spending could decrease by an estimated $0.5B over 10 years (2025-2034 [Table 1]), while a larger shift of 50% of patients could decrease federal spending by $1B over the same time period
    - In addition, if the supply bundle was effective for all DME beneficiaries, then federal spending could be decreased by another $0.4B over 10 years
- The shifts could result in an increase in patient liability[iii] of $0.1-0.2B over 10 years for a 25-50% shift, respectively. If the supply bundle was effective, patient liability could be reduced by $0.1B.
- The change in site-of-care assessment only focuses on beneficiaries receiving a sub-set of anti-infective therapies that are available in the home today to individuals with commercial coverage.[iv] A policy to expand HIT services to anti-infectives that applies to the full scope of available agents could increase federal savings by an estimated additional 30-35%.

- Although there is an added cost to federal spending due the new supply bundle payments for each infusion day, this cost is offset by the savings generated from the site-of-care shift.

Table 1. Estimated Federal Budgetary and Patient Impact over 10 Years ($ in Billions)

		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	5-Year 2025-2029	10-Year 2025-2029
Anti-infective Therapy Patient Shift from Outpatient Hospital (Part B) Site-of-Care to Home (Part D & Modified HIT Benefit)													
25%	Medicare	($0.04)	($0.04)	($0.05)	($0.05)	($0.05)	($0.05)	($0.06)	($0.06)	($0.06)	($0.06)	($0.2)	($0.5)
	Patients	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.01	$0.0	$0.1
50%	Medicare	($0.09)	($0.09)	($0.09)	($0.10)	($0.10)	($0.11)	($0.11)	($0.12)	($0.12)	($0.12)	($0.5)	($1.0)
	Patients	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.1	$0.2
DME Supply Bundle for Select Supplies (A4221, A4222, and K0552) Applying to All DME Patients													
100%	Medicare	($0.03)	($0.03)	($0.03)	($0.04)	($0.04)	($0.04)	($0.04)	($0.04)	($0.04)	($0.04)	($0.2)	($0.4)
	Patients	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.01)	($0.0)	($0.1)

Methodology

Budget estimates for patients in the outpatient hospital setting were based on drug costs for Remdesivir and Dalbavancin (currently the only anti-infective products analyzed that are separately reimbursed under the Medicare Outpatient Prospective Payment System).[v,vi] Administration and drug reimbursement for patients per day were based on Medicare data for CPT code **96365** and calculated for patients with at least two claims in 2022 for the select anti-infective therapies (Table 2).[vii,viii]

Drug reimbursement for Part D was estimated using the Wholesale Acquisition Cost per unit and the average units used by outpatient hospital patients.[ix,x] Total costs were calculated using the standard Medicare Part D benefit design, administration costs were estimated based on rates for the HIT nursing services codes **G0088** (initial visit) and **G0068** (subsequent visit),[xi] and the pharmacy services payment rate was set at 50% of the payment rate for the HIT subsequent visit code. Patients were estimated to have one nursing visit per week, and total nursing and non-nursing days were calculated based on same 2022 claims data for HOPD patients.

Supply bundle savings were estimated by summing total reimbursement for select DME supply codes (**A4221, A4222, and K0552**)[xii] using the Medicare Provider Utilization and Payment Data.[xiii] The DME October 2024 Fee Schedule[xiv] and Kaiser Family Foundation reports[xv,xvi] were used to estimate supply payments, which were weighted by state and urban/rural status.

Annual estimates were adjusted for inflation and Medicare fee-for-service enrollment projections.[xvii,xviii,xix,xx]

Table 2. Summary of Codes and Code Descriptions

Code[xxi]	Description
J0248	Injection, remdesivir, 1 mg
J0696	Injection, ceftriaxone sodium, per 250 mg
J0875	Injection, dalbavancin, 5 mg
J0878	Injection, daptomycin, 1 mg
J1335	Injection, ertapenem sodium, 500 mg
J3370	Injection, vancomycin hcl, 500 mg
96365	Intravenous infusion, for therapy, prophylaxis, or diagnosis (specify substance or drug); initial, up to 1 hour
G0088	Professional services, initial visit, for the administration of anti-infective, pain management, chelation, pulmonary hypertension, inotropic, or other intravenous infusion drug or biological (excluding chemotherapy or other highly complex drug or biological) for each infusion drug administration calendar day in the individual's home, each 15 minutes)
G0068	Professional services for the administration of anti-infective, pain management, chelation, pulmonary hypertension, and/or inotropic infusion drug(s) for each infusion drug administration calendar day in the individual's home, each 15 minutes
A4221	Supplies for maintenance of non-insulin drug infusion catheter, per week (list drugs separately)
A4222	Infusion supplies for external drug infusion pump, per cassette or bag (list drugs separately)
K0552	Supplies for external non-insulin drug infusion pump, syringe type cartridge, sterile, each

[i] https://www.cms.gov/medicare/payment/fee-for-service-providers/home-infusion-therapy
[ii] For patients with at least 2 claims for anti-infective therapy in 2022 HOPD setting.
[iii] Patient liability reflects the total amount patients would pay for the items or services. There are about 89% of Medicare Part B enrollees who have Part B supplemental insurance that can provide assistance with Part B costs (https://www.kff.org/medicare/issue-brief/a-snapshot-of-sources-of-coverage-among-medicare-beneficiaries/).
[iv] Remdesivir, Dalbavancin, Ceftriaxone, Daptomycin, Ertapenem, and Vancomycin
[v] Anti-infectives that are currently packaged and not separately reimbursed in the HOPD setting include: Ceftriaxone, Daptomycin, Ertapenem, Vancomycin.
[vi] https://public-inspection.federalregister.gov/2024-15087.pdf
[vii] American Medical Association. Current Procedural Terminology (CPT) Professional 2025. CPT® is copyright 1966, 1970, 1973, 1977, 1981, 1983-2024 by the American Medical Association. All rights reserved.
[viii] Magnolia Market Access analysis of 2022 Outpatient 5% Standard Analytic File, Medicare Part B Average Sales Price file (https://www.cms.gov/files/zip/october-2024-asp-pricing-file.zip), OPPS Addendum B file (https://www.cms.gov/medicare/medicare-fee-service-payment/hospitaloutpatientpps/addendum-and-addendum-b-updates/october-2024-updated-09/18/2024-0)
[ix] Remdesivir, Ceftriaxone, Daptomycin, Ertapenem, Vancomycin. In: Redbook [database on the Internet]. Ann Arbor (MI): Merative US L.P.; 2024 [cited 2024 Oct 3]. Available from: www.micromedexsolutions.com. Subscription required to view.
[x] Dalbavancin. In: Redbook [database on the Internet]. Ann Arbor (MI): Merative US L.P.; 2024 [cited 2024 Oct 29]. Available from: www.micromedexsolutions.com. Subscription required to view.
[xi] https://www.cms.gov/files/document/cy-2025-national-home-infusion-therapy-rates.pdf
[xii] https://www.cms.gov/files/zip/october-2024-alpha-numeric-hcpcs-file.zip
[xiii] https://data.cms.gov/provider-summary-by-type-of-service/medicare-durable-medical-equipment-devices-supplies/medicare-durable-medical-equipment-devices-supplies-by-geography-and-service
[xiv] https://www.cms.gov/medicare/payment/fee-schedules/dmepos/dmepos-fee-schedule/dme24-d
[xv] https://www.kff.org/medicare/state-indicator/total-medicare-beneficiaries
[xvi] https://www.kff.org/medicare/issue-brief/a-snapshot-of-sources-of-coverage-among-medicare-beneficiaries/
[xvii] https://www.cbo.gov/system/files/2024-06/51135-2024-06-Economic-Projections.xlsx
[xviii] https://www.cbo.gov/system/files/2023-05/51302-2023-05-medicare.pdf
[xix] https://www.kff.org/medicare/issue-brief/a-snapshot-of-sources-of-coverage-among-medicare-beneficiaries/
[xx] Magnolia Market Access analysis of 2022 Outpatient 5% Standard Analytic File, 2022 Durable Medical Equipment 5% Standard Analytic File, and 2022 Master Beneficiary Summary File, combined with the CBO monthly enrollment estimates were used to calculate a factor that was applied to the 5% SAFs to estimate the overall 100% Medicare FFS patient population.
[xxi] Only codes that were active in 2022 were included in the analysis.