



## **ASP Reimbursement: Achieving a service payment for home infusion drugs delivered under Medicare Part B**

### **Sample Letter: FIAC to Partners on ASP**

Customer (Partner) name:

As a valued partner in home infusion therapy we are writing to relay our concerns with changes in how infusion providers are being reimbursed for therapies covered under Medicare Part B. On January 1, 2017, provisions within the *21<sup>st</sup> Century Cures Act* that significantly impact the home and specialty infusion industry went into effect.

One provision, section 5004(a), changes the payment structure for infusion drugs under the Medicare Part B DME benefit from an Average Wholesale Price (AWP) metric to an Average Sales Price (ASP) payment methodology. The move from AWP to ASP impacts the reimbursement rates for inotropic drugs, subcutaneous immune globulin (IgG) therapies, pain management drugs, and chemotherapy.

Because of this payment shift, professional pharmacy services will remain unpaid for, however pumps, tubing and related disposable administration supplies remain billable using the standard kit codes. Nursing services for home infusion patients with Medicare can continue to be covered under the Part A home care benefit when homebound criteria are met.

The AWP reimbursement rates had long been recognized as providing coverage for both the infusion drugs and the professional services required to safely manage home infusion treatments. The new ASP pricing methodology is not sufficient to cover the intensive professional services required for some patients. This is problematic for beneficiaries and providers alike. Without a viable service payment, similar to the per diem providers paid by commercial insurers, home infusion providers may not be able to serve all patients.

A second provision contained in the *Cures Act*, section 5012, takes a positive step toward closing the service payment gap by establishing a structure for the professional

services associated with Part B DME infusion drugs. However, this provision does not take effect until 2021, leaving home infusion providers to cover this gap for up to four years. Unfortunately, the four-year gap between ASP taking effect and the implementation of a services payment creates a sizeable hole in reimbursement.

We at **(Insert company name)** want to partner with you on two issues. First, we want to ensure Medicare beneficiaries continue to receive the care they need. Second, we ask that you tell your congressional representatives how important it is to provide reasonable home infusion service payments, and align these payments with the effective date of ASP drug pricing. We are working with the National Home Infusion Association (NHIA) to track the Medicare beneficiaries who are affected by the change in law. Demonstrating the hardship this change creates for providers responsible for caring for Medicare patients is essential or the policy is likely to go unchanged. As a health care provider, please notify your patients that NHIA is collecting this information at: <http://www.keepmyinfusioncareathome.org/>. We also encourage you to send your members of Congress a letter on this issue. Visit [NHIA's website](#) for more information.

Thank you for your support in this matter.

Sincerely,