



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

Sample Letter: Home Infusion Providers to Physicians & Referral Sources

As a partner in the Medicare program, we are writing to notify you of changes in how home infusion providers are being reimbursed for therapies covered under Medicare Part B, effective January 1, 2017. The *21st Century Cures Act* contains a provision that significantly impacts the home and specialty infusion industry. 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 therapies such as inotropes, immune globulin (IgG), pain management, and chemotherapy.

While this change may appear to align home infusion payments with other Part B healthcare providers, home infusion providers do not have an administration code to bill for professional services. 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 previous 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 are 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. During this gap in coverage we will **[insert your company's action with beneficiaries here]**. 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 before 2021.

We are working with the National Home Infusion Association 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,