



June 7, 2016

House Passes Hospital Legislation Without ASP Pricing

Today, the US House of Representatives passed HR 5273, the Helping Hospitals Improve Patient Care Act of 2016. The legislation did not include provisions regarding home infusion drug payments in the Medicare Part B Durable Medical Equipment (DME) program.

HR 5273 has several provisions regarding Medicare hospital payment issues. One of the provisions is commonly referred to as the hospital outpatient department site-neutral payment grandfather provision. Passage of this provision has been a top priority of the American Hospital Association (AHA) for 2016, and has been scored by the Congressional Budget Office as a cost to the federal government. Currently, legislation that incurs a cost is not gaining traction on Capitol Hill, so there was a need to offset the costs of the provision.

At the end of 2015, there was an effort to pass the hospital outpatient department site-neutral payment grandfather provision, and to move DME-covered infusion drugs to the average sales pricing (ASP) methodology as the means to offset the cost of the provision. The ASP provision in 2015 did not include payment for home infusion services that are associated with the DME infusion drugs.

In 2015 and 2016, NHIA has worked hard to educate Congress on the deleterious effects of ASP pricing provisions for DME-covered infusion drugs that do not include payment for home infusion services. The passage of HR 5273 today without the ASP payment provision is a victory for the home infusion industry, and shows that our efforts this Spring have been effective. While we are not out of the woods yet on this issue, today's passage was a good sign that the Hill is understanding and looking to ensure home infusion services and supplies are appropriately paid for by the Medicare program.