National Home Infusion Association

"Medicare Home Infusion Site of Care Act"

The Issue

The Medicare fee-for-service program stands virtually alone among payers in the United States in not fully recognizing the clinical and cost benefits of providing infusion drug therapy to patients in their homes. Infusion therapy is fully covered by Medicare in hospitals, skilled nursing facilities (SNFs), hospital outpatient departments (HOPDs), and physician offices, but not in patient's homes. As a result, Medicare beneficiaries in need of infusion therapy often must receive their treatments in healthcare facilities rather than in their homes, which is the setting that is the most desirable, convenient, and by far the most cost effective.

This is unfortunate and unnecessary. In the private sector, the accepted standard of care and practice for over 30 years is to provide infusion therapy at home where medically indicated and when requested by the attending physician. Ironically, patients who have access to this benefit under their private plans lose this coverage when they enroll in Medicare.

It does not have to be this way. The fact is, Medicare does pay for infusion drugs provided in the home, but due to gaps in coverage for the medically necessary services, supplies and equipment used in the provision of infusion therapy, most Medicare beneficiaries simply do not have access to the drugs in the home setting. Closing the gaps in coverage would align the Medicare program with virtually all private payers, most Medicare Advantage plans, Tricare and many state Medicaid programs.

The Medicare Beneficiary

Medicare's lack of coverage of infusion therapy in the home setting can lead to substantial beneficiary lifestyle disruptions and costs. Because Medicare covers infusion services in institutional settings, the beneficiary either has to travel to a healthcare facility to receive infusion treatments, sometimes multiple times a day, or remain in a facility for the duration of the treatment episode.

The Government Savings

Why a Study Was Necessary: For decades, the private sector has recognized that home infusion therapy is a cost-effective, clinically effective treatment option. Nonetheless, the Medicare fee-for-service program does not have a comprehensive home infusion therapy benefit. Substantive changes to Medicare coverage policies will require credible evidence that similar savings are possible in the provision of home infusion therapy to Medicare beneficiaries. For that reason, NHIA commissioned Avalere Health to conduct a study of the potential savings to the Medicare program that could result from Medicare coverage of infusion therapy for anti-infective drugs in the home. Anti-infective infusion therapy constitutes approximately 50 percent of the treatments provided by home infusion providers. Thus, savings to the Medicare program from home infusion of this therapy will likely drive the savings that would result from providing a wider range of therapies in patients' homes.

What NHIA Asked Avalere to Study: NHIA asked Avalere to analyze the impact on Medicare program expenditures from a portion of patients receiving anti-infective infusion therapy from skilled nursing facilities (SNFs), hospital outpatient departments (HOPDs), and physicians' offices shifting their infusion treatment setting

to the home. The numbers of patients who were assumed to shift anti-infective infusion settings to the home varied by their current setting, but averaged approximately 23 percent of patients receiving anti-infective infusion therapy in these settings.

What Avalere Found: Under these migration assumptions, **there would be an estimated savings to the Medicare program for the 10-year period from 2015 to 2024 of 12.6 percent, or $80 million, of the overall cost of infusion services that migrate from HOPDs, physician offices, and SNFs to home. The first-year savings, assuming implementation in 2015, would be approximately 17.7 percent, or $8.5 million.** These calculations take into account the new Medicare Part B program expenditures that would result from new Medicare Part B coverage for infusion-related services, supplies and equipment in the home (the volume of all Medicare-covered anti-infective infusion services—in all settings, not just in the home— would need to substantially rise by at least 7.4 percent, for the expanded coverage to result in net increase Medicare program expenditures). Importantly, Avalere did not calculate the potential additional savings that could result from the avoidance of hospital stays, and hospital-acquired infections, which could be considerable.

The Medicare Home Infusion Site of Care Act

The Medicare Home Infusion Site of Care Act, ensures coverage of the professional services, supplies and equipment associated with infusion therapy in the home under Medicare Part B, thus enabling the current Part D coverage of infusion drugs to become meaningful for Medicare beneficiaries. The bill also would require the Secretary to develop quality standards to ensure the safe and effective provision of therapy. This bill would enable the Medicare program to realize the efficiencies and positive outcomes that home infusion therapy has brought to private sector patients for decades.