

## Part B Insider (Multispecialty) Coding Alert

### INFUSION: At Your Service, IV Providers Tell Medicare

Instead of paying per widget, the home-infusion industry wants Medicare to pay per diem for IV services.

A per diem payment system, under which Medicare would pay for each infusion service based on the number of days provided, would improve access to infusion services and quality, according to a new white paper from the National Home Infusion Association. The NHIA paper, called "Home Infusion Services, Payment Models, and Operational Costs," stresses that private payers mostly use this method already to pay for infusion.

A "narrow focus on drug prices alone" in fixing Medicare reimbursement will prevent patients from having access to those drugs, NHIA insists. The association urges Medicare to come up with a method that pays for every facet of their care. Now, Medicare pays for drugs based on average wholesale price, and supplies and some services based on the fee schedule. This encourages overuse and adds to administrative burdens, NHIA complains.

In a per diem model, all services and supplies would be bundled into a single package, which would be therapy-specific for services such as pain management or chemotherapy. The bundled rate might let payers "price shop" based on different treatment settings and competing providers, NHIA points out.

The Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 required the U.S. comptroller general to study whether Medicare payments adequately reimburse physicians and other suppliers of drugs and biologicals for costs they incur in administering those substances. The CG also has the authority to recommend revised payment methodologies, NHIA says.

Infusion providers supply a number of services along with the drugs they provide Medicare patients, the NHIA says. About 76 percent of all home IV pharmacies have accreditation through respected organizations such as the Joint Commission on Accreditation of Healthcare Organizations, and all pharmacies adhere to state board of pharmacy regulations and professional standards.

The University of Texas College of Pharmacy has studied infusion suppliers' service costs and found that traditional pharmacies spend between 0.56 minutes and 3 minutes per prescription. But home-infusion pharmacies must compound medications in special pharmacies, which take 4.1 minutes per dose, and most orders consist of multiple doses and take longer. IV pharmacies also spent much time on administrative, order processing, clinical monitoring, packaging, education and other activities.