

# INFUSION MEMBER IMPACT SURVEY:

## Results Find 21st Century Cures Act Will Have Damaging Consequences

On Dec. 13, 2016, President Obama signed into law the 21st Century Cures Act, which includes two provisions affecting home infusion providers. The first provision changed the payment structure for infusion drugs under the Part B durable medical equipment benefit from an average wholesale price (AWP) to an average sales price (ASP) payment methodology, effective Jan. 1, 2017.

In changing the payment methodology, this provision effectively eliminates reimbursement for home infusion services. To offset this reduced payment, the law includes a second, long-sought policy to create a new Medicare payment for the professional services associated with providing home infusion

treatment to patients. However, this new payment does not take effect until 2021. These policies create a four-year “care gap” that will hurt beneficiaries and infusion businesses, and will cost the government significantly more money.

A severe reimbursement cut, without appropriate payment for professional services to offset the cost to pharmacies, will have a range of damaging consequences for Medicare beneficiaries and infusion providers.

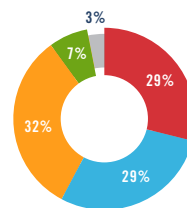
**About the Survey:** Innovatix conducted a survey of its infusion pharmacy members to better understand the consequences of the infusion policies in the law from a financial, patient access and job loss perspective. Innovatix received 36 survey responses during the months of March-April 2017.

## CONGRESS DIDN'T INTEND TO CREATE PATIENT ACCESS ISSUES AND HURT PHARMACIES

The inappropriate four-year “care gap” between when cuts take effect and new payment for professional services begins has far more serious consequences than Congress intended. Congress did not intend to penalize home infusion providers with four-years of financial hardship, but rather to pay these providers at more appropriate rates that are in line with other Part B drug payments.

The unintended consequence of this four-year “care gap” pushes Medicare beneficiaries to receive services in much more expensive care settings, such as the hospital or a nursing home, which can **cost four or more times as much as home infusion**.<sup>1</sup> Moving patients into more expensive settings effectively undoes more than a decade of policy work to incent lower cost service delivery in more appropriate settings and adds millions in unnecessary expenses to the federal budget.

**83%** of home infusion providers say the law **IS LIKELY TO PUSH** beneficiaries into other, higher-cost settings for their care delivery.



### SPECIFICALLY, WHAT ALTERNATE SITES OF CARE DO YOU EXPECT YOUR PATIENTS WILL BE SENT TO?

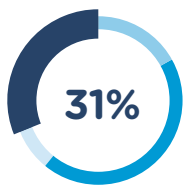
- Hospital
- Hospital Outpatient Department
- Skilled Nursing Facility
- A Larger Home Infusion Provider
- Other

## IT'S NOT WHAT'S BEST FOR PATIENTS

As a result of the severe financial hardship imposed by the Cures Act, Medicare beneficiaries will find it much more difficult to access home infusion services, even though many of them prefer to receive care in the comfort of their own home, or are unable to travel to receive care.

Additionally, the law could have negative consequences for patient safety. Beneficiaries who are often susceptible to infection or other adverse clinical outcomes may now be forced to receive therapy in an institutional setting where they face greater risk of exposure.

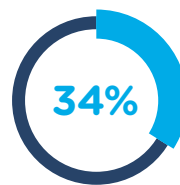
**31%** of home infusion providers say the change in reimbursement will push them to stop accepting new Medicare beneficiaries, and **34%** say they will be forced to discontinue services for existing patients.



**WITH THE ASP CUTS IN EFFECT, WILL YOU BE ABLE TO ACCEPT NEW MEDICARE BENEFICIARIES?**

**31% SAY NO**

- No, we will no longer be able to accept new beneficiaries (31%)
- Yes, but we will accept fewer beneficiaries than we would have otherwise (44%)
- Yes, we will still accept new beneficiaries (17%)
- Yes, but they will receive services in settings other than the home (8%)

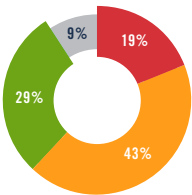


**WITH THE ASP CUTS IN EFFECT, WILL YOU DISCONTINUE SERVICES FOR THOSE BENEFICIARIES YOU HAD ALREADY BEEN PROVIDING SERVICES TO?**

**34% SAY YES**

Home infusion allows Medicare beneficiaries with severe diseases and conditions, such as critical infections, congestive heart failure and cancer, to receive safe and effective treatment in the setting that they prefer.

## THESE POLICIES ARE HURTING PROVIDERS

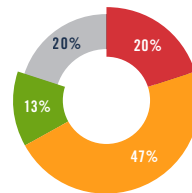


**92%** of home infusion respondents say the effects of changing to ASP payment **WILL BE DAMAGING OR EXTREMELY DAMAGING** to their business.

**SPECIFICALLY, WHAT DO YOU EXPECT THE OVERALL FINANCIAL IMPACT OF ASP REFORM WILL MEAN TO YOUR PHARMACY?**

- 31-50% payment reductions
- 6-30% payment reductions
- 0-5% payment reductions
- Don't know payment reductions

Unless Congress acts to speed up enactment of the services benefit in the law, **42%** of home infusion providers say they **WILL BE FORCED TO ELIMINATE** good, high-paying jobs in their pharmacy, including pharmacists and nurses.



**RESPONDENTS WHO ANTICIPATE LAYOFFS, PLEASE FORECAST THE JOB REDUCTIONS IN YOUR PHARMACY IN 2017 AND 2018 AS A PERCENTAGE OF YOUR TOTAL WORKFORCE.**

- 21%+ Reduction
- 6-20% Reduction
- 1-5% Reduction
- No Reduction

## WHAT CAN BE DONE

The new ASP policy has resulted in immediate and significant reimbursement reductions without sufficient coverage for the cost of services associated with administering infusion drugs in the home. This policy change is having a devastating effect on home infusion providers, which many patients rely on to preserve their independence and quality of life. **Congress should act immediately to provide relief to pharmacies and ensure access to home infusion services for beneficiaries in 2018.**