Outpatient Infusion Drug Reimbursement

Melissa Blank – Harbert, Vice President
Agenda

- Speaker Introduction
- Review of JW Waste Billing
- Billing Drug Units
- MUE for Drug Units
- Site of Care Issues
- JG/TB 340B Drug Billing
- Drug Reimbursement – Retail vs Medical
Review of JW Waste Billing
JW – Purpose and Effective Date

- Per CMS, effective 1/1/17 wasted drug from SDV should be billed on a separate line with JW modifier.
- Waste must be documented in patient’s medical record.
- Per verification from CMS, the pharmacy record may be considered part of the medical record.
More revenue opportunity available if waste is properly documented

- Primary issue is lack of documentation
- Wasted at bedside – Documentation may be in MAR
  - Less common – Emergency administrations
  - Anesthesia considered emergency drugs – Some but not all wasted at bedside
- Wasted at compounding – Documentation may be in pharmacy record
  - Most common place for waste to occur
Medication Orders

**pembrolizumab (KEYTRUDA) 190.5 mg in sodium chloride 0.9 % 100 mL IV infusion [137135840]**

- Electronically signed by: [Redacted] on 12/11/14 1058
- Ordering user: [Redacted] 12/11/14 1058
- Authorized by: [Redacted]
- From treatment plan: pembrolizumab
- Diagnoses
  - Malignant melanoma, metastatic (HCC) [172.9 (ICD-9-CM)]
- Frequency: Once 12/11/14 1115 - 1 Occurrences

**Mixture Ingredients**

<table>
<thead>
<tr>
<th>Medication</th>
<th>Ordered Dose</th>
<th>Calculated Dose</th>
</tr>
</thead>
<tbody>
<tr>
<td>pembrolizumab (KEYTRUDA)</td>
<td>2 mg/kg</td>
<td>190.5 mg</td>
</tr>
<tr>
<td>sodium chloride 0.9 %</td>
<td>100 mLs</td>
<td>100 mLs</td>
</tr>
</tbody>
</table>

Medication comments: Waste = 9.5 mg.
### JW Documentation Example - Pharmacy

#### Components Summary:

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount &amp; Quantity</th>
<th>Package Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>olaratumab 190 MG/19ML Sln [149562]</td>
<td>Waste Amount: 1.8 mL (18 mg)</td>
<td>Package: 19 mL Vial [0002-7190-01]</td>
</tr>
<tr>
<td></td>
<td>Charge Failure Reason: Quantity rounded to zero due to charge in increments</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Waste Reason: Unused Portion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Package From: Dispense Preparation</td>
<td></td>
</tr>
<tr>
<td>olaratumab 500 MG/50ML Sln [148187]</td>
<td>Waste Amount: --</td>
<td>Package: 50 mL Vial [0002-8926-01]</td>
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<tr>
<td></td>
<td>Package From: Dispense Preparation</td>
<td></td>
</tr>
<tr>
<td>sodium chloride 0.9 % Sln [27838]</td>
<td>Waste Amount: 117.2 mL</td>
<td>Package: 250 mL Flex Cont [0409-7983-53]</td>
</tr>
<tr>
<td></td>
<td>Medication is configured for waste reporting</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Waste Reason: Unused Portion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Package From: Dispense Preparation</td>
<td></td>
</tr>
</tbody>
</table>
**JW Documentation Example – Pharmacy**

<table>
<thead>
<tr>
<th>Treatment Plan Order Signing Info</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signed by:</td>
</tr>
<tr>
<td>Released by:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Most Recent Dispense Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action User:</td>
</tr>
<tr>
<td>Dispense Pharmacy:</td>
</tr>
<tr>
<td>Dispense Code: IVPB</td>
</tr>
<tr>
<td>Triggered Fill: No</td>
</tr>
<tr>
<td>Patient Supplied Medication: No</td>
</tr>
<tr>
<td>Dispense Individual Ingredients: No</td>
</tr>
<tr>
<td>Patient Class: Medical Oncology Series</td>
</tr>
<tr>
<td>Comments:</td>
</tr>
<tr>
<td>Flush line with 0.9% NS ONLY.</td>
</tr>
<tr>
<td>Review Actions</td>
</tr>
<tr>
<td>Date/Time in Queue for Review:</td>
</tr>
<tr>
<td>Wed Oct 11, 2017 1416</td>
</tr>
<tr>
<td>Date/Time Reviewed:</td>
</tr>
<tr>
<td>Wed Oct 11, 2017 1420</td>
</tr>
<tr>
<td>Review Comments:</td>
</tr>
<tr>
<td>Pharmacy Actions</td>
</tr>
<tr>
<td>Date/Time</td>
</tr>
<tr>
<td>Wed Oct 11, 2017 1426</td>
</tr>
<tr>
<td>Wed Oct 11, 2017 1420</td>
</tr>
<tr>
<td>Type</td>
</tr>
<tr>
<td>Waste</td>
</tr>
<tr>
<td>Dispense</td>
</tr>
<tr>
<td>Verify</td>
</tr>
</tbody>
</table>

**BOTTOM LINE SYSTEMS**

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Not Just HCPCS Units Anymore

- Payers requiring NDC unit information in addition to HCPCS units
- HCPCS units for J codes are different from NDC units
- National Drug Code – NDC for appropriate vial dispensed
- Maintaining active NDC number inventory listing
  - Denials for invalid NDC numbers
  - Audits to ensure accuracy of NDC dispensed vs billed
<table>
<thead>
<tr>
<th>Unit Example – UB04 Lines</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>0636</td>
</tr>
<tr>
<td>0636</td>
</tr>
<tr>
<td>0636</td>
</tr>
</tbody>
</table>
Drug Unit Obstacles

- Authorization
- NDC Information – Not just 636
  - Frequently seeing NDC requirements on 250 drugs
- Some reported instances where lack of NDC information on revenue code 250 = full claim denial
MUE for Drug Information
Medically Unlikely Edit Overview

- Used for weight based drugs
- Historically – Used to catch waste billing on MDV
- JW modifier - Less need for edits
Medically Unlikely Edits - Examples

- Herceptin J9355 –
  - Only MDV available – Set MUE at 44 Units
  - Intent – Capture full vial billing
  - SDV added mid-year 2017; decreased volume of claims that hit MUE
  - FDA – Range 9 – 108 units
  - Effective 1/1/18 – Medicare raised MUE from 44 to 100
Medically Unlikely Edits - Obstacles

- Rejection...
- Not the end of the story
- Don’t down bill the units
- Strong appeal will result in payment
Site of Care – Can you keep the revenue?
Site of Care – Payer Trends

- Payers driving infusion drug to alternative site of care
- Cost saving for payer
- Not always the best for the patient
Drugs Under Fire

- Immune Globulin, IVIG
- Erythropoiesis Stimulating Agents (Aranesp, Epogen, Procrit)
- Remicade
- Neupogen
Policy Exception – Clinical Support

- Clinically unstable; hemodynamically
- History of severe adverse event
- Administered as part of chemotherapy regimen
- 1st dose drugs can also mean re-initiated after 12 months
- Physical or cognitive impairment – Unavailable caregiver
Site of Care Exclusions

- Exclusion for drug doesn’t always mean you lose the revenue
- Do your homework
- Obtain medical history – Not just from current prescriber
- If payer has no exception list – Create your own path!
Alternative Site

- Does your hospital have a specialty pharmacy?
- Payer network open or exclusive
- Lower margins but greater than zero
340B Medicare Billing
340B – Are You Compliant?

- Effective 1/1/2018
- Drugs purchased under 340B program will be subject to new modifiers
  - JG - Drug or biological acquired with 340B drug pricing program discount
  - TB - Drug or biological acquired with 340B drug pricing program discount, reported for informational purposes
340B – Modifiers Impact

- Applies to hospitals subject to OPPS reimbursement
- Drugs purchased under 340B program
- JG - Currently will only apply to status indicator “K” - will get the lower reimbursement
- Drugs billed with JG modifier
  - Used to pay ASP + 6%
  - Now will pay ASP – 22.5%
- TB – Required for pass through drugs – status indicator “G”, but won’t impact reimbursement
340B JG / TB Hospital Exclusions

- CMS designated rural sole community hospitals (SCHs)
- Children’s Hospitals
- PPS-exempt Cancer Hospitals
- Critical Access Hospitals (CAH)
- Maryland Waiver Hospitals
Who has to report the Modifiers

- **Not Paid under OPPS**
  - TB is optional for SI “K”, “G”, or “N”

- **Paid under OPPS but excluded (Children’s, Cancer, Rural)**
  - Mandatory use of TB for SI “K” or “G”
  - SI “N” is optional

- **Paid under OPPS – Included in adjustment**
  - Mandatory use of TB for SI “G”
  - Mandatory use of JG for SI “K”
  - Optional for SI “N”
Drugs – Retail or Medical Benefit

- Some state Medicaid plans will give you the option to bill outpatient drugs under Retail vs Medical benefit
- Includes managed Medicaid
- Florida, Pennsylvania (under research)
R vs M – What’s the Benefit

- Reimbursement may be higher under retail benefit
- Example: Florida has a $200 cap per 636 revenue code
  - Example of chemotherapy drug – Charges $30,000
  - Medical benefit = $200
  - Retail benefit = $3,800
R vs M – What is required?

- Same order requirements
- Process to bypass charges from hitting UB
- Transfer of inventory – Utilization purposes
- Regulatory research – Pharmacy credentialing under Retail
- Authorization under Retail may be required when Medical did not require authorization
Questions?