

Intravenous Immune Globulin (IVIg)

Medicare Payments 2005

January 25, 2005

IVIG HCPCS Codes

- J1563 Injection, immune globulin intravenous, 1 gram
- J1564 Injection, immune globulin 10 mg

Treatment Settings

- Inpatient Hospital – included in DRGs
- Outpatient Hospital – OPPOS
(Outpatient Prospective Payment System)
- Physician Office – Fee Schedule
- Home Infusion – per MMA Section 642
(only for Primary Immune Deficiencies)

Medicare Modernization Act (MMA)

- Public Law 109-173, December 8, 2003
- Social Security Act (SSA) – “The Act”
Title XVIII – authority for Medicare
“Health Insurance for Aged and Disabled”
- Changes drug payment methodology
- Adds benefit for IVIG home infusion

OPPS Payments

- MMA 621 amends SSA 1833(t)
- Sole Source Drug APC payment rates
- 2005: 83% < payment < 95% AWP
- 2006: ave acquisition cost per GAO survey
- 2005 proposed: Fed Reg Aug 16, 2004
- 2005 final: Fed Reg Nov 15, 2004

Physician Fee Schedule

- MMA 303(b) amends SSA 1842(o)
2005 IVIG payment: per SSA 1847A
- MMA 303(c) adds SSA 1847A (new)
- SSA 1847A: “Average Sales Price” (ASP)
- Sole Source Drug: basis amount is lesser of
ASP or WAC (“Wholesale Acquisition Cost”)
- Physician payment is 106% of basis amount

ASP Method

- SSA 1847A(c)(1) ASP for drug or biologic
- Manufacturer's sales (\$) to all purchasers divided by total number of units sold
- Certain sales exempted from calculations
- Sales price net of discounts and rebates

WAC Method

- SSA 1847A(c)(6)(B) WAC for drug/biologic
- Manufacturer's list price for the drug to wholesalers or direct purchasers
- Excludes prompt pay or other discounts, rebates or reductions in price
- Reported in wholesale price guides or other publications of drug pricing data

Physician Fee Schedule

- MMA 303(c) adds SSA 1847B (new)
- “Competitive Bidding” for drugs & biologics
- Begins phased roll-out January 1, 2006
- Physicians may choose each year:
ASP or Competitive Bidding
- Exclusions per Secretary discretion
- 2005 proposed: Fed Reg Aug 5, 2004
- 2005 final: Fed Reg Nov 15, 2004

IVIG Home Infusions for Primary Immune Diseases

- MMA Sec 642 amends SSA 1861(s) and adds SSA 1861(zz) (new)
- Benefit effective January 1, 2004
- Excludes administration items & services
- Pharmacies, hosp, physicians bill DMERC
- HH Agencies bill Regional HH Intermed.

<http://www.cms.hhs.gov/...>

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