ACG GI Practice Toolbox

Setting Up an Ambulatory Infusion Center in Your Practice

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INTRODUCTION:

Private practices in Gastroenterology are facing increasing pressure on many fronts. At a minimum these pressures include decreasing reimbursements, higher practice personnel and equipment expenses and increasing regulatory burdens. Many successful independent practices have found the revenue from ancillary service-lines critical for financial success. Ancillary services which align best with gastroenterology are those which provide commonly necessary billable services while allowing practices to improve convenience for patients and improve care while adding supplemental revenue to the practice. Practices caring for a population of patients with inflammatory bowel disease should seriously consider the addition of outpatient infusion services.

TOPIC OVERVIEW:

Ambulatory infusion centers can be beneficial to patients and providers. Patients can expect to receive care in a familiar setting under the care of their usual physicians. Physicians might expect better compliance with therapy administered in office and also allows further opportunity to see their patients and improve the therapeutic relationship. There is reason to expect that ambulatory infusion centers can continue to be a source of expanded revenue and value added for GI practices. Insurers that have to pay higher rates for hospital based medical infusions services will likely continue to encourage out-patient infusion center utilization. This paper will briefly review CMS rules and guidelines in the area of out-patient infusion. It will discuss practice and physical plan needs and requirements. It will review coding and billing, and lastly touch on reimbursement and financial risk.

Centers for Medicare and Medicaid Services (CMS) Regulations:
The owners and operators of ambulatory infusion centers must be prepared to understand and follow CMS rules in this area. The rules for physician supervision for infusion are more stringent in the free standing centers and physician offices than for hospital out-patient departments in this area. Ambulatory infusion centers must strictly adhere to CMS supervisor requirements. CMS requires direct supervision by physicians and this explicitly means that the physician (and not an advanced provider) must be “immediately available” and “interruptible” to provide assistance and direction throughout performance of the infusion. However, the physician does not need to be in the infusion room when the infusion is given. Stated another way, the supervising physician must be present in the office suite or center during the entire infusion.

Setting up the Infusion Suite:
Equipment and staffing needs and costs will need to be carefully considered and budgeted for by each group prior to starting the infusion center within their GI practice. The physical space for the center is a fixed cost and ideally the physician group would have the space available in their office and thus be, "renting from themselves". Infusion centers can, of course vary considerably in their size and comfort structure. One center might be as simple as a single infusion chair with an IV pole compared with other units decked out with 20 high tech leather recliners, each with its own TV and massage unit. A minimum financial outlay might likely include the costs of two infusion chairs, infusion pumps, blood pressure monitor(s), patient entertainment equipment, and general supplies (locking refrigerator, IV tubing, needles, gloves and medications to handle complications). An estimate of the costs for this equipment is modest and can be found elsewhere.

Hiring the Right Staff:
Hiring the correct infusion nurse(s) or training an existing staff member(s) will likely be one of the most important determinants of the success of the infusion center. Centers should make every effort to hire a skilled, competent, and knowledgeable nurse early in the process. This will likely save on many headaches later if the wrong person is selected. Owners must consider the expected total time spent giving infusions as well as whether this nurse will be involved in helping to obtain authorizations for the biologics, which can be a considerable time outlay. Salary, medical insurance, and benefits for this provider need to be considered carefully when trying to assess the bottom line. Owners of the ambulatory infusion centers need to be aware of the state licensing requirements and verify that these are met by the infusion nurse or other personnel involved with the infusion of medications to patients.

Buying and Billing Medications:
Obtaining and billing for biologic medications is usually done by ambulatory infusion centers in one of two ways. There may be a "pass through" type arrangement or "buy and bill". In a pass through situation, a specialty pharmacy delivers the drug (and possibly infusion equipment) to the ambulatory center and then the pharmacy bills the insurer directly. The pharmacy would also be responsible for the authorization and collection of copays. Alternatively, in buy and bill, the outpatient infusion center establishes an account with a wholesaler and purchases the drug directly from a specialty pharmacy. The infusion center then bills the patient's insurance plan or Medicare directly. The buy and bill method requires caution and diligence on the infusion center's part in several areas. It will be the center's responsibility to comply with insurance company and CMS rules in this area, to obtain the most competitive pricing for drugs, to ensure correction and necessary authorizations, and finally to collect patient co-pays, to name a few.

Coding and billing for outpatient infusion services is a key component for any practice undertaking an infusion center to understand. As busy physicians, we may sometimes have a poor understanding of what appears to be a bizarre and confounding structure when it comes to the details of coding and billing. Having competent coders and billers and a clear understanding of the most recent current procedural terminology (CPT) codes is paramount to receiving the appropriate reimbursements. Each insurer may also have their own policies regarding infusion payment and reference should be made to the insurer's individual websites.

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There are specific rules regarding infusion coding that can be complex. It is also very important for the timing of the entire infusion to be recorded. For example, CPT code 96413 for infusion of infliximab covers the "administration of drug, IV infusion techniques up to 1 hour.", whereas code 96415 cover each additional hour (listed separately in addition to the code for the primary procedure). The Healthcare Common Procedure Coding System (HCPCS) is used to supplement the CPT codes. In the case of infusions this would be used to cover the drug, IV tubing, syringes and other supplies for the infusion that are not included in the CPT code. For infliximab, the HCPCS code is J1745 for 10 mg and the code represents 1/10 of a 100 mg vial. Therefore, you would need to bill 10 units of J1745 on the claim form to indicate every 100 mg that was used. Coding coverage may vary by insurer or even between plans with the same insurer. Consult your payers for specific coding policies. Also be aware that policies pertaining to reimbursement of biologic medication can be complex and are updated frequently.

Adding outpatient infusion services to your physician practice can be a great benefit to your patients and a good opportunity to supplement practice income. As with any new service line a business plan should be done and reviewed with an administrator or consultant who understands the risks and benefits of the endeavor. Centers will be infusing small amounts of very expensive drugs, and non-payment of even one patient can be detrimental financially, costing literally thousands of dollars. Understanding how to obtain proper authorization and payment is critical. Infusion can be very profitable for physician practices if managed properly. There are several companies that provide infusion management services that are experienced in helping practices navigate the process from set up to operations.

PRACTICAL SUGGESTIONS AND EXAMPLES FOR YOUR PRACTICE:

Reasons to Consider Outpatient Infusion Suite to your Practice

1. Continuity of Patient Care (better control of their disease). This in turn also improves patient compliance as you can monitor infusion appointments and appropriate dosing.
2. Improved patient care. Patients prefer in-office infusion suites over alternate sites due to lower cost share and time requirements.
3. Adding ancillary services to a GI practice is the best solution to compression of reimbursement.

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Steps to adding Outpatient Infusion Services

1. Create a list of patients currently receiving biologics as well as patients that may require biologics in near future.
2. Contact drug manufacturer (JNJ, UCB & Takeda) to get information on Contract Purchase programs, rebate programs & co-pay assistance programs.
3. Investigate contracted fee schedules with all payers for all biologics and CPT codes.
4. Compare purchase prices to contracted fee schedules. This step alone will determine infusion suite viability.
5. Identify appropriate space and purchase necessary equipment (Infusion chair, blood pressure monitors, patient entertainment equipment, and infusion supplies.)
6. Identify and hire experienced staff for verifications, billing and an infusion nurse. These are critical to the success of your infusion suite.
7. Identify and select a wholesaler medication vendor to begin purchasing. Be sure to compare several wholesalers as well as negotiate payment terms.
8. Contact drug manufacturers to enroll in patient access support services which will assist in verifications of benefits for infusion patients.
9. Begin verifying benefits and scheduling patients.

Practical Suggestions

1. Make your patients aware that by infusing GI specific biologics (Infliximab, vedolizumab, etc.) we are giving drugs with which GI physicians have intimate knowledge and experience. This gives an advantage to us over hospital infusion centers where a wider variety of medications are being infused but with no such specialized experience.
2. Make your infusion facility patient friendly. Strive for convenience in both location, and setting for patient. Hire great infusion nurse(s) and when possible shorten time of patient infusions.
3. Anticipate time to get insurance contracts and reimbursements in place. Expect to operate in the red in the short run.
4. Consider iron infusions in addition to infusion of biologics for IBD.
5. Keep a close eye out for advances in biotech and infusion, biosimilars as an example.
6. Carefully review payer mix and payer contracts, as reimbursement from some may not be adequate to make office infusion worthwhile.
7. Get administrative help from a consultant group or outside agency if you are not able to do it yourself.

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RESOURCES:

1. Managing an in-office infusion practice, The Rheumatologist: http://www.the-rheumatologist.org/article/managing-an-in-office-infusion-practice/
2. Remicade Coding and Billing: https://www.janssencarepath.com/hcp/remicade/reimbursement/coding-billing
3. Versel, N. Build Your Own Infusion Clinic, Biotecnol Healthc 2005 Feb; 2(1), 35-36, 39-14. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3564322/
4. Hogan R, "True Adventures in Ancillaries". October 2017 World Congress of Gastroenterology at the ACG, Orlando, FL. Lecture, Practice Management Course.
5. Medicare Supervisory Requirements: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/downloads/CY2011_List_Ext_Duration_Services-csr.pdf

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