

ACQUISITION INSIGHTS

Expert-led discussion on buy-and-bill for HCP offices

Buy-and-bill is an acquisition method often used for treatments administered in the health care provider (HCP) office or at an alternate injection/infusion center. As more innovative specialty therapies are introduced, buy-and-bill is growing in use in cardiology, immunology, ophthalmology, rheumatology, dermatology, and neurology, in addition to being one of the predominant acquisition methods in oncology.

Four leading experts worked with Novartis to develop a series of discussions around buy-and-bill acquisition and key considerations, available at www.mdedge.com/content/cardiology-brand-info-hub.



Christine Mann

MBA, Certified Medical Office Manager, Chief operating officer and director of infusion centers at the Dent Neurologic Institute



Charles Lynch

Health care consultant for Oncology Copayment Solutions



Bobbi Buell

MBA, Principal at OnPoint Oncology



Susie Fleecs

Administrator at large ophthalmology practice

The experts have been compensated for their time.

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Buy-and-bill and specialty pharmacy acquisition

Compared to specialty pharmacy, buy-and-bill is a common specialty drug acquisition method that is relatively sophisticated. Buy-and-bill may be a viable option for providers for several reasons. Below is a breakdown of how each method works.

Buy-and-bill acquisition is mostly used for drugs that are covered under the medical benefit, which are administered at an HCP office or an alternate injection/infusion center.

With buy-and-bill, the HCP office purchases and acquires the drug from the distributor or a group purchasing organization. The office also stores the drug, administers it to the patient, and is responsible for billing for the drug and administration, as well as submitting claims for reimbursement with the patient's insurance company.

Specialty pharmacy acquisition is predominantly used under the pharmacy benefit for drugs administered at an HCP office or at home by the patient/caregiver. Under this acquisition method, the specialty pharmacy submits claims for drug reimbursement to the payer; the office is only responsible for any potential claims associated with drug administration, not the cost of the drug.

Whether a drug is covered under medical or pharmacy benefit depends on benefit design and utilization management by the payer (specific to the employer company). Depending on benefit design for each patient's plan, the office may acquire the drug through a distributor, a group purchasing organization, or through a specialty pharmacy.

In some cases, payers require patients to receive treatment at a specific site of care.

Expert Charles Lynch emphasizes the importance of understanding whether the drug is covered under the medical or pharmacy benefit to help determine the acquisition method.

Payer types and buy-and-bill

Common payer types involved with buy-and-bill include commercial/private insurance plans, Medicare and Medicare Advantage plans, and Medicaid.

Buy-and-bill policies differ across plans, which may affect the prior authorization process (including a potential step edit) and out-of-pocket costs for patients. It's a good idea to check a patient's insurance card at the beginning of the year to confirm the ID/group number. If there has been a change from the previous year, a benefit check, referral, and/or prior authorization may be required before care services can be performed.

Commercial/private insurance

Commercial plans may have different mandates around acquiring the drug. Some allow buy-and-bill; others may require acquisition through a specialty pharmacy—either a specific pharmacy or one of your choice. Most require prior authorization and have varying co-pay and coinsurance requirements. They may also have a certain date range and/or amount of medication available for billing, and provide guidance around coding.

Government insurance

For Medicare plans involved with buy-and-bill, offices purchase the drug and bills Medicare for treatment and administration. Drugs covered under Medicare Part B are regulated by incident-to service guidelines; this means that services provided at an HCP office to a Medicare patient are recognized as incident to a physician's treatment and plan of care. Prior authorizations are not required under Medicare Part B.

Medicare Advantage plans often adhere to policies set by the local payer managing the plan. These plans typically have their own rules for insurance requirements, including referrals and prior authorizations.

Guidance for Medicaid plans varies on a state-by-state basis.

The best thing I can say is to make sure that you do a benefit investigation for the patient.



Christine Mann,
COO at the Dent Neurologic Institute

A benefit investigation may confirm the acquisition method and process, including prior authorization and billing requirements. It's a good idea to inform patients about potential out-of-pocket costs prior to administration of therapy.



Implementing buy-and-bill workflows

Getting started with a distributor

To create an account with a distributor, offices need to understand how the drug is ordered, shipped, and stored, and fill out the requisite paperwork. It may be helpful to establish tracking measures around drug ordering and cost.

At her health system, expert Christine Mann finds that anticipating patient need is also vital to ordering the appropriate amount of the drug.

It's helpful to consider payer mix and policies ahead of time for each disease state and drug to operationalize and plan moving forward.

Key discussions with patients

Expert Bobbi Buell emphasizes that understanding patient benefits may be helpful. In her experience, under the buy-and-bill process, benefits are verified every time the patient comes in. This way, in addition to tracking a patient's health situation and compliance, the HCP office is also aware of their financial situation. According to Buell, the HCP office may need to take on more responsibility in discussing logistical and financial responsibilities with patients, including co-payments, out-of-pocket costs, and communicating any other key information.

It may be helpful for offices to coordinate with patients to ensure they understand the responsibilities on their end in terms of appointments, logistics, and cost-sharing responsibilities.

Establishing internal workflow processes

For buy-and-bill, it's important to ensure the office has proper inventory control and storage processes according to drug requirements.

Expert Bobbi Buell notes that her health system confirms each patient appointment in advance, keeping in mind dosing frequency and how often the patient may need to come for administration.

Before patients come in, it may be helpful for offices to confirm:

- The patient is able to make the appointment
- Patient insurance in event of possible changes to coverage and premiums
- Drug availability, keeping in mind par levels
- Dosing and process associated with drug administration to have appropriate staff on hand to inject or infuse the drug to the patient

Note: Inventory levels may impact injection/infusion appointment scheduling.

My experience has been, basically, anything you do as far as buy-and-bill, if you have a proper workflow process, then you're at the home stretch.



Charles Lynch,
Health care consultant for
Oncology Copayment Solutions

Product administration may be more complex for intravenous drugs compared to drugs administered via subcutaneous and intramuscular injection. Many manufacturers offer single-dose vials, which may make administration more efficient. In general, manufacturers can provide support for HCP offices, including information about their product and proper administration and storage per FDA standards (refrigeration, etc).

Technology requirements

Establishing software needs is an important consideration of an office's initial evaluation for buy-and-bill.

Technology requirements vary depending on an office and/or its pharmacy, the drug and manufacturer, and the distributor. For offices in larger health systems, the health system pharmacy may have the requisite technology already. For smaller offices or those that haven't yet utilized buy-and-bill, distributors can usually provide information about inventory machines that track drug volume and fulfill par level as drugs are dispensed. Patient weekly volume can also help establish par level as drugs are dispensed.

It's key to ensure all stakeholders within an office are well-informed and trained regarding buy-and-bill workflows.



Buy-and-bill reimbursement

Expert Susie Fleecs notes buy-and-bill may come with financial implications for HCP offices, including confirming accurate billing and reimbursement for orders and services provided. As part of billing, it may be important for offices to understand the patient's insurance coverage and associated requirements.

Tracking reimbursement across insurers

It may be helpful for offices to consult a person in the facility who has all the contracted rates to establish anticipated reimbursement from every patient's insurance and their allowables.

Offices that are part of a larger facility may have a more complex system, with different contract managers for health maintenance organizations, preferred provider organizations, and point-of-service plans. These offices may consider reviewing provider contracts regularly to track anticipated payment and any potential changes in reimbursement.

In general, patients with Medicare-only coverage are responsible for 20% of the claim. This may also be the case for patients with Managed Medicare, who are generally not eligible for secondary coverage. Medicare Part B drugs may be billed differently. In these cases, the HCP office purchases and acquires these drugs, administers to the patient, and adjudicates claims for treatment and administration.

Commercial insurance often follows Medicare policies. However, allowables may vary across payers.

Product manufacturers may provide support with reimbursement, and can help offices with benefits investigations, especially at the beginning of the year.



Find out what your anticipated reimbursement is from each and every health plan.



Bobbi Buell,
Principal at OnPoint
Oncology

In buy-and-bill, it may be helpful for the HCP office to track the coverage and claims process until the final claim is paid, and to set the fee schedule appropriately per payer allowables.

Key considerations for billing and coding

Under buy-and-bill, claim submission for the drug and associated administration costs can be handled either internally or through a third-party vendor, depending on office protocol and requirements.

If the office is handling billing and coding, the office will need to complete billing forms, including the CMS-1500 for the office setting or the CMS-1450 (also known as the UB) for the hospital setting.

The ICD-10-CM is used for coding diagnoses. The ICD-10-CM justifies the medical necessity of the claim and communicates to the payer that the HCP gave the drug per its indication to each patient.

After launch, new therapies are assigned miscellaneous J-codes, including J3490, J3590, or J9999, depending on the type of drug. Miscellaneous J-codes may be in use even after the permanent code is issued, about seven to eight months after approval.

When a permanent J-code is assigned and a patient has an upcoming visit, the practice must contact their insurance to update the drug code and authorization to ensure payment.

Billing is based on administration codes. For subcutaneous, intramuscular, or intravenous injections, most claims for miscellaneous J-codes are paid within 40 to 50 days. Drugs with permanent J-codes are usually paid in under 30 days. This is an important benchmark, since drug reimbursement is generally required within 30 days, per Medicare mandates.

Depending on the size of the office, it may be helpful to appoint a designated person to create an incident-to provider log documenting the presence of the supervising HCP during the service. This log may be required for billing and administration purposes.

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A physician or a supervising health care provider must be in the office and available, and there must be a log documenting their presence while they're in the clinic... That has been a Bible document in our office, and sometimes billing has stopped on a dime without that incident-to supervising log.
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Susie Fleecs
Administrator at
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To learn more, please see our educational webinar series about buy-and-bill at HCP offices, available at www.mdedge.com/content/cardiology-brand-info-hub.