



Highlights of [GAO-10-426](#), a report to congressional requesters

## Why GAO Did This Study

Infusion therapy—drug treatment generally administered intravenously—was once provided strictly in hospitals. However, clinical developments and emphasis on cost containment have prompted a shift to other settings, including the home. Home infusion requires coordination among providers of drugs, equipment, and skilled nursing care, as needed. GAO was asked to review home infusion coverage policies and practices to help inform Medicare policy. In this report, GAO describes (1) coverage of home infusion therapy components under Medicare fee-for-service (FFS), (2) coverage and payment for home infusion therapy by other health insurers—both commercial plans and Medicare Advantage (MA) plans, which provide a private alternative to Medicare FFS, and (3) the utilization and quality management practices that health insurers use with home infusion therapy benefits.

To do this work, GAO reviewed Medicare program statutes, regulations, policies, and benefits data. GAO also interviewed officials of five large private health insurers that offered commercial and MA plans.

## What GAO Recommends

GAO recommends that the Secretary of Health and Human Services conduct a study of home infusion therapy to inform Congress regarding the potential program costs, savings, and other issues associated with a comprehensive Medicare benefit.

View [GAO-10-426](#) or [key components](#). For more information, contact Kathleen M. King at (202) 512-7114 or [kingk@gao.gov](mailto:kingk@gao.gov).

# HOME INFUSION THERAPY

## Differences between Medicare and Private Insurers' Coverage

### What GAO Found

The extent of Medicare FFS coverage of home infusion therapy depends on whether the beneficiary is homebound, as well as other factors related to the beneficiary's condition and treatment needs. Some Medicare FFS beneficiaries who are homebound have comprehensive coverage of home infusion therapy, which includes drugs, equipment and supplies, and skilled nursing services when needed. For non-homebound beneficiaries with particular conditions needing certain drugs and equipment, Medicare FFS coverage of home infusion is limited to the necessary drugs, equipment, and supplies, and excludes nursing services. For other non-homebound beneficiaries, Medicare FFS coverage is further limited; infusion drugs may be covered for those enrolled in a prescription drug plan, but neither equipment and supplies nor nursing services are covered. These non-homebound beneficiaries would need to obtain infusion therapy in a hospital, nursing home, or physician's office to have all therapy components covered.

The health insurers in GAO's study provide comprehensive coverage of home infusion therapy under all of their commercial plans. Some insurers also provide comprehensive coverage under their network-based MA plans, which may provide benefits beyond those required under Medicare FFS. Nationwide, nearly one out of every five MA beneficiaries has comprehensive coverage through an MA plan that has chosen to cover home infusion therapy as a supplemental benefit. To pay providers of home infusion therapy, most of the insurers in GAO's study use a combination of payment mechanisms. These include a fee schedule for infusion drugs, a fee schedule for nursing services, and a bundled payment per day of therapy for all other services and supplies.

Most of the health insurers in GAO's study use standard industry practices to manage utilization of home infusion therapy and ensure quality of care. Specifically, most health insurers require that infusion providers submit patient information in advance to support a request for coverage and receive payment authorization. Also, health insurers may review samples of claims postpayment to determine if claims were billed and paid appropriately. None of the insurers in GAO's study stated that they have had significant problems with improper payments or quality for home infusion therapy services. In addition, health insurers reported taking various steps to ensure the quality of services delivered in the home. These included developing a limited provider network of infusion pharmacies and home health agencies, requiring provider accreditation, coordinating care among providers, and monitoring patient complaints.

In commenting on a draft of this report, the Department of Health and Human Services stated Medicare covers infusion therapy at home for beneficiaries receiving the home health benefit, while other beneficiaries have access to infusion therapy in alternate settings. The Department suggested GAO reword its recommendation to clarify that a change to Medicare benefits would require statutory authority, and GAO has done so.