



AMGEN Assist[®]

Reimbursement for Physician- Purchased and Physician- Administered Drugs: Understanding the Buy and Bill Process

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- This information is provided for your background education and is not intended to serve as guidance for specific coding, billing, and claims submissions. The decision on which codes best describe the services provided must be made by the individual providers based on specific payor guidance and requirements.



Topics

- Overview of buy and bill
- Payment methodologies for buy and bill drugs
- Billing and coding for the drug and administration
- Practice considerations



Buy and Bill Overview¹

For certain medicines payors rely on physicians to:

- Purchase the drug
- Manage the inventory
- Administer the drug
- Submit claims for reimbursement for both the drug and professional services

This process is commonly termed “buy and bill”

1. Journal of Managed Care Pharmacy November/December 2006;Vol. 12, No. 9: pg. 737



Reimbursement for “Buy and Bill”

Medicare ¹	Private Payor
<ul style="list-style-type: none">• Average Sales Price (ASP) + 6% (for products with established ASP)• Wholesale Acquisition Cost (WAC) + 6% for <i>newly</i> approved products	<ul style="list-style-type: none">• ASP + X%• WAC + X%• Average Wholesale Price (AWP) minus X%• Other contracted methodology

1. CMS Publication 100-4 Claims Manual Chapter 17 section 20.1.3



Coding for Physician Administered Drugs

- Drugs are typically reported using product specific HCPCS codes (eg, J-code) assigned by the Centers for Medicare & Medicaid Services (CMS)

Ensure appropriate number of units are billed

- Drugs without an assigned J-code are reported using a miscellaneous code, such as:
 - J3490¹ – Unclassified drugs
 - J3590¹ – Unclassified biologics

1. Centers for Medicare and Medicaid Services. HCPCS General Information. http://www.cms.gov/MedHCPCSGenInfo/01_Overview.asp#TopOfPage. Accessed 09/29/2010: 3.
2. Centers for Medicare and Medicaid Services. 2011 Alpha Numeric HCPCS File. <http://www.cms.gov/HCPCSReleaseCodeSets/Downloads/11anweb.zip>. Accessed 11/30/2010.



Coding for Injection Administration Services

- Report administration service
 - Example – intramuscular injection

CPT ^{®1} Code	CPT Code Description
96372	Therapeutic, prophylactic, or diagnostic injection (specify substance or drug); subcutaneous or intramuscular

- Since coding and billing requirements vary from payor to payor, other codes may also be used
 - Contact payor to determine the appropriate code for the services provided

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1. Current Procedural Terminology CPT 2012 Professional Edition



ROLE OF STAKEHOLDERS IN BUY AND BILL

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Buy and Bill Process: *The Payor*

- Establish coverage rules (eg, prior authorization)
- Determine benefit structure
- Negotiate payment for drug and associated service with health care provider
- Process claim and reimburse provider for services billed



Buy and Bill Process: *The Distributor*

- Negotiate cost of drug with physician office
- Fulfill drug order and ship drug to physician office
- Bill physician office for drug
- Establish net payment terms



Buy and Bill Process: *The Provider*

- Order drug from distributor
- Prescribe and administer product
- Provide medical justification to support prior authorization requirements, as needed
- Bill payor for drug and administration services
- Counsel patient regarding associated co-insurance
- Collect co-insurance for all services



PRACTICE CONSIDERATIONS



Practice Considerations

- Assign staff to manage insurance investigation and/or prior authorization
- Develop process for collecting patient co-insurance at time of service
- Determine and negotiate (if necessary) appropriate drug and administration fees
- Implement process to track claim status and payment

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Collecting Patient Co-insurance

- Establish policies for payment and collection plans
- Schedule collection discussion with patient
- Include collection follow-up when conducting reminder calls to patient
- Coordinate patient review and signature on financial policy
- Determine payment plans



Negotiating Appropriate Reimbursement

Track key data

- Practice cost for providing services
- Drug reimbursement methodology
- Administration codes recognized
- Current rates for selected professional services

Know practice costs associated with providing services

Understand methodology for drug reimbursement



Claims Reconciliation

- The claims reconciliation process allows practices to review claims for accurate reimbursement
- At this point, you can compare your actual reimbursement with what you expected to receive
- Notify the payor when payment differs from what was expected
- Contact payor relations when consistent underpayment occurs
- Timeliness of payments should also be monitored



Conclusion

- Buy and bill requires practices to purchase drugs
- Verify benefits prior to providing services
- Bill for drug and associated administration service(s)
- Conduct patient financial counseling and ensure timely collection of co-insurance
- Know practice cost of providing in office injections
- Negotiate appropriate fees
- Reconcile claims to identify inappropriate payment