

## Executive Summary

The standardization of pertinent and relevant definitions is inherently advantageous to all stakeholders within the health care delivery system. Such standardization reduces the chance of differing expectations amongst stakeholders, encourages benchmarking and analysis that is based upon comparable data sets, and generally fosters communication and cooperation between the various entities responsible for providing medically necessary health care services. With infusion therapy, reimbursement is often based upon a per diem approach, yet frequently this term is left undefined. Accordingly, as the national organization representing infusion services, the National Home Infusion Association (NHIA) presents the following definition of the term “per diem.”

## Per Diem Definition

As related to reimbursement, the term “per diem” represents each day that a given patient is provided access to a prescribed therapy, beginning with the day the therapy is initiated and ending with the day the therapy is permanently discontinued. The term “permanently” shall not be construed to infer that a therapy shall never again be initiated, but rather that continuation of the therapy is simply not predicted or anticipated at the time of cessation. The expected course and duration of the treatment shall be determined by the plan of care as prescribed by the ordering physician.

It shall not be necessary for the patient to receive an actual drug infusion each and every day in order to be considered covered under an existing per diem, so long as additional infusions are anticipated in the near future as prescribed in the physician plan of care. The fact that the health care provider anticipates continued responsibility for the patient and incurs costs related to such responsibilities, remains accountable for the provision of such anticipated care, and is responsible for the acquisition and allocation of resources that will be necessary to meet these obligations, shall deem the existing per diem to be current, valid, and in force.

This definition is valid for per diem therapies of duration of up to and including every 72 hours. Therapies provided beyond this range (weekly, monthly, etc.) fall outside of the per diem structure, and should have separate reimbursement rates that are specified on a contractual or other basis.

## Examples

For the purpose of demonstration, the following examples are provided:

Prescribed Therapy	Units of Service
Infusion every 4 hours for 14 days	14
Infusion every 8 hours for 14 days	14
Infusion every 12 hours for 14 days	14
Infusion every 24 hours for 14 days	14
Infusion every 48 hours for 14 days	14
Infusion every 72 hours for 14 days	14
Infusion once per week	1 (per week)
Infusion once per month	1 (per month)

## Cost Reconciliation

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Costs associated with therapies that are of a more infrequent nature (72 hours, 48 hours, etc.) are less than those that are more frequent, and decreased reimbursement for such services is thereby appropriate. Using the above as an example, it is expected that the “Every 72 hours” per diem would be reimbursed at lesser daily rate than the “Every 4 hours” per diem, and that the units of service would remain identical.

## Products and Services Included in the Definition

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Per diem reimbursement is intended to compensate for costs plus a fair return, i.e. the excess of revenues over expenses needed to ensure continued access to these therapies, for the following services, products and other support costs of an infusion therapy provider.

## PROFESSIONAL PHARMACY SERVICES

### Dispensing

- Medication profile set-up and drug utilization review
- Monitoring for potential drug interactions
- Sterile procedures including intravenous admixtures, clean room upkeep, vertical and horizontal laminar flow hood certification, and all other biomedical procedures necessary for a safe environment
- USP-797 compliant sterile compounding of medications
- Patient counseling as required under OBRA 1990

### Clinical Monitoring

- Development and implementation of pharmaceutical care plans
- Pharmacokinetic dosing
- Review and interpretation of patient test results
- Recommending dosage or medication changes based on clinical findings
- Initial and ongoing pharmacy patient assessment and clinical monitoring
- Measurement of field nursing competency with subsequent education and training
- Other professional and cognitive services as needed to clinically manage the patient pharmacy care

### Care Coordination

- Patient admittance services, including communication with other medical professionals, patient assessment, and opening of the medical record
- Patient/caregiver educational activities, including providing training and patient education materials
- Clinical coordination of infusion services care with

physicians, nurses, patients, patient’s family, other providers, caregivers and case managers

- Clinical coordination of non-infusion related services
- Patient discharge services, including communication with other medical professionals and closing of the medical record
- 24 hours/day, 7 days/week availability for questions and/or problems of a dedicated infusion team consisting of pharmacist(s), nurse(s) and all other medical professionals responsible for clinical response, problem solving, trouble shooting, question answering, and other professional duties from pharmacy staff that do not require a patient visit
- Development and monitoring of nursing care plans
- Coordination, education, training and management of field nursing staff (or sub-contracted agencies)
- Delivery of medication, supplies and equipment to patient’s home

### Supplies and Equipment

- DME (pumps, poles and accessories) for drug and nutrition administration
- Equipment maintenance and repair (excluding patient owned equipment)
- Short peripheral vascular access devices
- Needles, gauze, non-implanted sterile tubing, catheters, dressing kits and other necessary supplies for the sale and effective administration of infusion, specialty drug and nutrition therapies

### Multiple Categories of Pharmacy Professional Services

- Maintaining comprehensive knowledge of vascular access systems
- Continuing education to professional pharmacy staff
- Removal, storage and disposal of infectious waste
- Maintaining accreditation, including:
  - Outcomes assessments and analysis
  - Ongoing staff development and competency assessment
  - Continuous quality assessment and performance improvement programs
  - All other policies and procedures necessary to remain in compliance with The Joint Commission, Community Health Accreditation Program (CHAP), Accreditation Commission for HealthCare (ACHC), and other professional accreditation standards
  - Certification fees and expenses
  - Other applicable accreditation expenses
- Maintaining the substantial insurance requirements (e.g. liability), including compliance with all state and federal regulations related to minimal insurance coverage

## Administrative Services

- Administering coordination of benefits with other insurers
- Determining insurance coverage, including coverage for compliance with all state and federal regulations
- Verification of insurance eligibility and extent of coverage
- Obtaining certificate of medical necessity and other medical necessity documentation
- Obtaining prior authorizations
- Performing billing functions
- Performing account collection activities
- Internal and external auditing and other regulatory compliance activities
- Retrieval and storage of medical and reimbursement records
- Maintaining inventories of drugs, equipment, administration supplies and office supplies
- Maintaining physical plant and offices, including building, equipment and furnishings, utilities, telephone, pagers, office supplies, etc.
- Maintaining computer clinical and administrative information systems
- Postage and shipping
- Design and production of patient education materials
- Quality assessment and improvement activities
- Continuing education to administrative staff
- Legal and accounting services
- Licensing application activities and fees

## Other Support Costs

- Wages, salaries, benefits, payroll taxes, FICA, unemployment insurance, and workers compensation premiums
- Property taxes
- Asset depreciation
- Inventory carrying costs
- Accounts receivable carrying costs associated with carrying of large accounts receivable balances
- Costs of insurance coverage per state regulations
- Costs of maintaining accreditation (The Joint Commission, CHAP, ACHC, etc.)
- New product research and development
- Sales, advertising, and marketing
- Community commitment and charitable donations
- Cost of bad debt (uncollectible accounts receivable)
- Other applicable overhead and operational expenses

## Products and Services Not Included in the Definition of Per Diem

- All drugs\*, biologicals, enteral formulae and blood

products

- Nursing services provided directly to patients in their residences or other alternate sites
- Other services provided directly to patients in their residences or other alternate sites by provider's staff or representatives (e.g. dietician for nutritional counseling)
- PICC and Midline insertion procedures and associated supplies
- Surgically implanted central vascular access devices
- Invasively placed digestive tract access devices for enteral therapy, including G tubes, NG tubes, J tubes, etc.
- Services and products not considered part of the per diem compensation as may be agreed to by provider and payer (e.g. delivery to high risk areas with escort or extra protection, wound care supplies and devices for sites other than IV catheter insertion sites, etc.)
- Services and products that may be provided at request of the patient that are considered by provider to be not medically necessary and beyond the scope of inclusion in the per diem
- All services and products provided when not otherwise paid for through per diem coding for a therapy episode.

*\* Except that components which are part of a standard TPN formula are included in the per diem: (a) non-specialty amino acids (e.g., Aminosyn®, FreAmine®, Travasol®), (b) concentrated dextrose (e.g., D10, D20, D40, D50, D60, D70), (c) sterile water, (d) electrolytes (e.g., CaCl<sub>2</sub>, KCl, KPO<sub>4</sub>, MgSO<sub>4</sub>, NaAc, NaCl, NaPO<sub>4</sub>), (e) standard multi-trace element solutions (e.g., MTE4, MTE5, MTE7), and (f) standard multivitamin solutions (e.g., MVI-12 or MVI-13). Excluded from per diem reimbursement and reimbursed separately are other drugs associated with TPN therapy: (a) specialty amino acids for renal failure (e.g., Aminosyn-RF®, NephrAmine®), (b) specialty amino acids for hepatic failure (e.g., HepatAmine®, Hepatasol® 8%), (c) specialty amino acids for high stress conditions (e.g., Aminosyn-HBC®, BranchAmin®, FreAmine HBC®, Premasol®, TrophAmine®), (d) specialty amino acids with concentrations of 15% and above when medically necessary for fluid restricted patients (e.g., Aminosyn® 15%, Clinisol® 15%, Prosol® 20%), (e) lipids (e.g., Intralipid®, Liposyn®), (f) added trace elements not from a standard multi-trace element solution (e.g. chromium, copper, iodine, manganese, selenium, zinc), (g) added vitamins not from a standard multivitamin solution (e.g. folic acid, vitamin C, vitamin K), and (h) products serving non-nutritional purposes (e.g., heparin, insulin, L-Carnitine, iron dextran, Pepcid®, Sandostatin®, Zofran®). (Please note: trade names are used to provide a definition of per diem that communicates well; however, use of trade names is not a product recommendation or comment on extent of use in practice.)*

## Summary

As the national standardization of relevant and pertinent definitions is deemed inherently advantageous to all stakeholders; and as NHIA is the national organization representing infusion services and standards, it is hereby established that the preceding definition of the phrase "per diem" is the national standard for purposes associated with infusion therapy reimbursement.