FACTFILE
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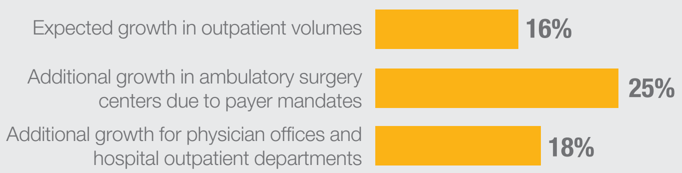
healthleaders

Rx Alternate Sites of Care

Growth in home infusion presents revenue opportunities for health systems

Site of care challenges for health systems are growing at a steady pace. Growth in ambulatory infusion pharmacy services is being driven by a consolidating market and increased consumer demand, new technology and techniques, and payment reform and reimbursement.[1]

Growth in the next decade[8]



Considerations for different service locations

Overall, the goal for both health systems and payers in determining the most appropriate site of care is to lower the cost of healthcare services while providing safe, effective and efficient care. Factors such as medication cost, estimated reimbursement, payer requirements, individual patient factors and clinical outcomes must be considered.

Infusion site characteristics[3]

Site of care	Workflow	Billing method
Hospital-based infusion center or hospital outpatient	Medications are purchased by the hospital, prepared onsite in USP-compliant clean rooms and administered by skilled nursing staff	Through hospital billing system with place of service 19 and 22. Subject to PO, PN, TB, JG modifers.
Physician's office or provider-based infusion center	Medications are purchased by provider, prepared onsite by office staff and administered by skilled nursing staff	Billing as an independent entity with place of service 11 – office
Freestanding infusion center or ambulatory infusion site	Medications are prepared onsite or off-site at an infusion pharmacy and delivered to the infusion center for administration by skilled nursing staff	Billing with place of service 11 – office or 49 – independent clinic
Home infusion	Medications are prepared by a home infusion pharmacy and delivered to the patient's home for administration and/or self-administration training by skilled nursing staff	Billing with place of service 12 – home
Pharmacy infusion suite	Medications are prepared in an adjacent or nearby infusion pharmacy, delivered to infusion suite and administered by skilled nursing staff	Billing with place of service 11, 12 or 49 based on payer contract

Home infusion market

$19B
industry[2]

300%
growth during the last 10 years[2]

3.2M
patients served annually[4]

7.9%
projected annual growth through 2030[7]

The home infusion pharmacy market is dominated by three primary providers who account for 60% of the market share, with the rest of the market being highly fragmented by more than 974 regional and national providers.[5]

For health systems to succeed in the evolving home infusion space, an end-to-end, multi-disciplinary approach is required to maintain high standards of patient safety and satisfaction, including continuity of care, and to secure an organization's financial success.

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Financial implications of home infusion

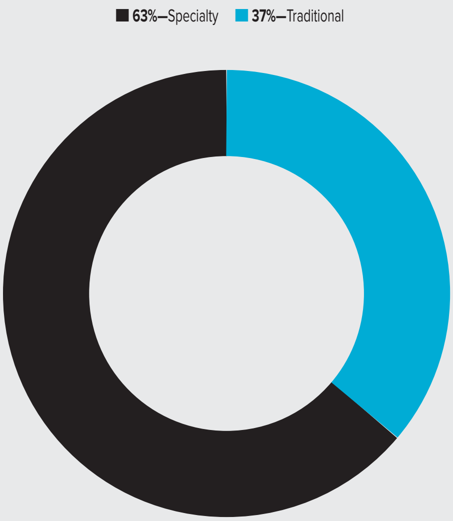
The pipeline of specialty drugs is increasing. Leaders can look for strategies across specialty pharmacy and home infusion to improve continuity of care for the patient and increase reimbursement and revenue. Often billed as a medical benefit, home infusion can help avoid some payer restrictions while also serving as a revenue channel.

Of the 3.2M home infusion patients, 90.5% are receiving traditional home infusion therapy.[5] But there has been a dramatic shift from 2010 to 2019, as revenue per patient has increased for specialty infusion and decreased in traditional infusion.[2] An analysis reveals that 9.5% of specialty infusion patients contribute 63% of all revenue for the typical provider.[5]

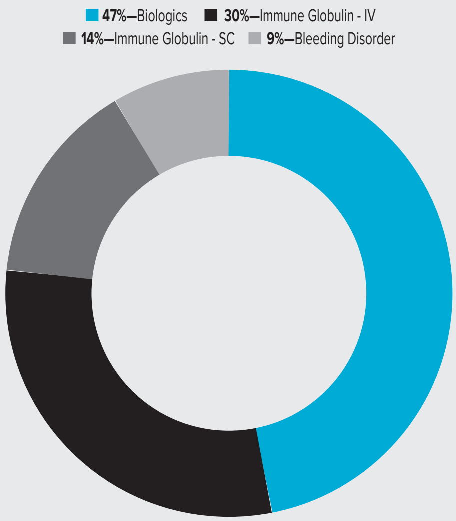
Infusion defined

Traditional infusion therapies are generally a continuation of an acute care therapy that was started in the hospital. *Specialty infusion* is generally started and prescribed from the outpatient clinic or prescriber's practice.[6]

Revenue distribution by typical provider



Specialty revenue by product category



Infusion drugs in market[5]
550+ drugs in market
280+ drugs in Phase I/II development
~100 drugs in Phase III review

The bottom line

The time to make investments in home infusion services is now. Hospital leaders responsible for strategy should understand this market shift requires an "all in" approach for end-to-end care. Healthcare organizations who are dedicated to this multi-disciplinary approach will reap the rewards with patients and payers in the home infusion market now and in the future.

Interested in learning more? Contact us to discuss our capabilities to support your ambulatory pharmacy strategies at *PharmacyQuestions@vizientinc.com.*

Resources

[1] 3 factors influencing growth across the outpatient market. Definitive Healthcare. *https://www.definitivehc.com/blog/factors-influencing-outpatient-care.* Accessed September 28, 2022.

[2] Infusion Industry Trends 2020. National Home Infusion Foundation. *https://nhia.org/nhif/nhif_infusion_industry_trends_report/.* Accessed October 2021.

[3] Sites of Infusion Care report. Vizient, Inc. *https://info.vizientinc.com/sites-of-infusion-report.* 2023.

[4] About home and specialty infusion. National Home Infusion Association. Accessed November 12, 2021.

[5] These findings have recently been corroborated (Vizient Home Infusion Market Analysis, unpublished data, October 2021).

[6] Home Infusion Market Report. Vizient, Inc. *https://info.vizientinc.com/home-infusion-market-report*. 2022.

[7] Home Infusion Therapy Market Size, Share & Trends Analysis Report by Product (Infusion Pumps, Needleless Connectors), by Application (Anti-infective, Chemotherapy), by Region, and Segment Forecasts, 2022–2030, January 2022. Accessed May 6, 2022.

[8] Impact of Change® Forecast, 2022. Sg2 Analysis.

About Vizient, Inc.

Vizient, Inc., the nation's largest health care performance improvement company, serves more than 60% of the nation's acute care providers, which includes 97% of the nation's academic medical centers, and more than 25% of the non-acute care market. Vizient provides expertise, analytics and advisory services, as well as a contract portfolio that represents more than $130 billion in annual purchasing volume. Vizient's solutions and services improve the delivery of high-value care by aligning cost, quality and market performance. Headquartered in Irving, Texas, Vizient has offices throughout the United States. Learn more at ***www.vizientinc.com***.