

NICA Position Statement on Specialty Pharmacy Mandates

To maintain the economic viability of their care settings, infusion providers use the buy-and-bill model to purchase medications and bill the payor for the drug and administration services. Current reimbursement rates for administration do not cover the actual practice expenses associated with furnishing these services, however the margin from the drug payment helps offset the losses on the administration side to keep providers whole. When a payor requires a specialty pharmacy model, the drug is provided by the third-party pharmacy and the provider bills for administration only.

This process increases administrative burden for both the practice and the patient, generates wasted drug (for which the health plan and patient have already paid), and can cause delays and disruptions in treatment schedules—all for reimbursement well below the cost of coordinating that care. It is easy to see how this arrangement is financially inviable for infusion practices. Under a specialty pharmacy model, infusion centers will be inevitably forced to turn away patients whose plans require specialty pharmacy acquisition—in the absence of increased reimbursement for professional services to cover costs—driving them into hospital settings to receive the same treatment at significantly higher cost to both the patient and the payor.

¹ American Society of Health System Pharmacists. (2016). *ASHP Specialty Pharmacy Resource Guide*. Retrieved from <https://www.ashp.org/Specialty-Pharm-Guide-2015>

² Magellan Rx Management. (2019). *Medical Pharmacy Trend Report*. Retrieved from <https://www1.magellanrx.com/documents/2020/03/mrx-medical-pharmacy-trend-report-2019.pdf/>

