Evaluation of Injectables

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Evaluation of Injectables

- Objective: Participants will be able to evaluate the logistical and financial aspects of adding new injectables.

- Description: The decision to add additional injectables to a retina practice is more complex than simple reimbursement/margin.
  - Factors that need to be considered include time of reimbursement, authorization, claim resubmittal, J-codes, CPT codes, and ordering/storage.
### Initial Cost Basis (J Code)

<table>
<thead>
<tr>
<th>Drug</th>
<th>Cost</th>
<th>Medicare</th>
<th>Gross</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eylea (J0178)</td>
<td>$1,016.90</td>
<td>$1,724.56</td>
<td>$107.66</td>
<td>6.7%</td>
</tr>
<tr>
<td>Lucentis 0.3 (J2778)</td>
<td>$521.82</td>
<td>$542.85</td>
<td>$107.66</td>
<td>6.7%</td>
</tr>
<tr>
<td>Cimerep 0.3 (Q5128)</td>
<td>$669.40</td>
<td>$706.24</td>
<td>$96.84</td>
<td>14.0%</td>
</tr>
<tr>
<td>Lucentis 0.5 (J2778)</td>
<td>$868.70</td>
<td>$937.75</td>
<td>$68.05</td>
<td>7.9%</td>
</tr>
<tr>
<td>Cimerep 0.5 (Q5128)</td>
<td>$1,169.00</td>
<td>$1,310.60</td>
<td>$68.05</td>
<td>6.0%</td>
</tr>
<tr>
<td>Draviton (J7352)</td>
<td>$1,273.50</td>
<td>$1,439.37</td>
<td>$66.87</td>
<td>6.0%</td>
</tr>
<tr>
<td>Iluvien (J7353)</td>
<td>$6,800.00</td>
<td>$6,728.05</td>
<td>$72.05</td>
<td>1.0%</td>
</tr>
<tr>
<td>Yilet (J7354)</td>
<td>$8,966.00</td>
<td>$9,022.20</td>
<td>$56.20</td>
<td>0.6%</td>
</tr>
<tr>
<td>Valgancine (J0777)</td>
<td>$2,034.51</td>
<td>$2,166.40</td>
<td>$131.89</td>
<td>6.5%</td>
</tr>
<tr>
<td>Bevas (J0179)</td>
<td>$1,890.76</td>
<td>$1,951.34</td>
<td>$60.58</td>
<td>4.2%</td>
</tr>
<tr>
<td>Syfovre (J2781)</td>
<td>$2,148.20</td>
<td>$2,271.30</td>
<td>$123.10</td>
<td>5.7%</td>
</tr>
<tr>
<td>Eylea HD (J0550)</td>
<td>$2,279.06</td>
<td>$2,882.50</td>
<td>$203.44</td>
<td>7.0%</td>
</tr>
</tbody>
</table>
Mark up for small businesses

**Keystone Markup (50%)**: A common rule of thumb is to use a 50% markup, also known as "keystone." For $7.50 (50% markup).

**Industry Standards**: Consider industry-specific norms. Here are some examples:
- **Grocery Retail**: Typically applies around a 15% markup.
- ** Restaurants (Food)**: Use around a 60% markup, but it can reach 500% for beverages.
- **Jewelry**: Typically employs a 50% markup.
- **Clothing**: Relies on markups between 150% and 250%, depending on the brand.

**Rebate/Discount Programs**
- Have ranged from "cash rebate" to credit or discounted price on future purchases.
- Question of potential IRS or "Stark-like" violation.
- Ethical Dilemma
  - Prescribing for maximum profit
  - Prescribing for patient benefit
- Vegas rules – The House ALWAYS wins.
Procedures reimbursement (CPT)

- Standard Intravitreal injection – 67028 ($108.33)
- Suprachoroidal injections – 67516 ($115.07)
- PDS implant – 67027 ($808.16)
- PDS refill – 67028 ($108.33)

Tempus Fugit

- Prior authorization vs step therapy
- Chair time
- Tech time
- Explanation to patient
  - Biosimilars/off label
  - Direct to Consumer Marketing
- Procedural time
- Resubmittals/Appeals
Payment cycle

- Date of purchase
- Date of use
- Date of reimbursement
- Date of Payment
  - Variable terms of 30-180 days depending on vendor and manufacturer
  - Credit Cards vs Cash flow

Average payment times for a “clean” claim:

- Medicare – 27 days
- BCBS – 21 days
- UHC – 28 days
- Cigna Medicare – 25 days
- VA Triwest – 30 days
- Humana – 20 days
- AHCCCS – 25 days
- Medicare advantage plans – 35 days
The Walmart/Buckee's Paradox

- You can't always get what you want vs. Everything, Everywhere, All at once (Lean Six Sigma vs Augustus Gloop)

- Cost cycle exposure
  - Delayed reimbursement
  - Change in payment terms
  - Damaged/expired/contaminated stock

- Physical storage
  - Refrigeration
  - Inventory Management
Sources for additional information

- RETNET
- ASRS
- AAO – Codequest
- Advocacy
  - AAO Midyear Forum Apr 17-20, 2024