

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.

Disclosures

- Regeneron Ad Board Participant
- PI/Sub I on Multiple Studies (Including Genentech/Roche, Regeneron)

Initial Cost Basis (J Code)

	Cost	Medicare	Gross	Margin
Eylea (J0178)	\$ 1,616.90	\$ 1,724.56	\$ 107.66	6.7%
Lucentis 0.3 (J2778)	\$ 521.82	\$ 562.65	\$ 40.83	6.7%
Cimerli 0.3 (Q5128)	\$ 689.40	\$ 786.24	\$ 96.84	14.0%
Lucentis 0.5 (J2778)	\$ 869.70	\$ 937.75	\$ 68.05	7.9%
Cimerli 0.5 (Q5128)	\$ 1,149.00	\$ 1,310.40	\$ 68.05	14.0%
Ozurdex (J7312)	\$ 1,373.00	\$ 1,439.27	\$ 66.27	4.8%
Iluvien (J7313)	\$ 8,800.00	\$ 9,328.05	\$ 528.05	6.0%
Yutiq (J7314)	\$ 8,996.00	\$ 9,522.00	\$ 526.00	5.8%
Vabysmo (J2777)	\$ 2,034.51	\$ 2,166.00	\$ 131.49	6.5%
Beovu (J0179)	\$ 1,880.76	\$ 1,951.44	\$ 70.68	3.8%
Syfovre (J2781)	\$ 2,146.20	\$ 2,271.90	\$ 125.70	5.9%
Eylea HD (J3590)	\$ 2,579.06	\$ 2,782.50	\$ 203.44	7.9%

Through the Looking Glass...

- Mark up for small businesses
 - **Keystone Markup (50%)**: A common rule of thumb is to use a **50% markup**, also known as “keystone.” Cost of \$1.50 (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.

Procedure 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

Augustus
Gloop



Sources for additional information

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