



IMMUNE DEFICIENCY FOUNDATION SURVEYS:

MEDICARE REIMBURSEMENT IS THE ISSUE

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MARCH 2009

**IMMUNE DEFICIENCY FOUNDATION SURVEYS:
MEDICARE REIMBURSEMENT METHODOLOGY FOR IVIG IS THE ISSUE**

Between 2005-2008 the Immune Deficiency Foundation (IDF) conducted ten surveys to quantify the impact reduced Medicare reimbursement for IVIG has had on those with primary immunodeficiency diseases (PIDD).

- 2005 IDF Medicare Patient Survey
- 2005 IDF Physician Survey of IVIG Availability & Access
- 2006 IDF Patient Survey
- 2006 IDF Physician Survey
- 2006 IDF Hospital Pharmacist Survey
- 2007 IDF National Patient Survey
- 2007 IDF Hospital Pharmacist Survey
 - 2nd Qtr. 2007
 - 4th Qtr. 2007
- 2008 IDF Medicare Patient Access to Immunoglobulin Replacement Therapy Survey

There is a recurring theme throughout these surveys. Physicians, hospital pharmacists and patients all have significant problems and issues when Medicare is the payor, particularly when compared to private health insurance coverage. IDF survey results make it all too clear that Medicare beneficiaries in need of life-saving IVIG therapy are second-class citizens when it comes to our health care system. Unfortunately IDF's most recent survey results confirm previous findings.

FINDINGS FROM 2006 IDF SURVEYS

A significant minority of Medicare beneficiaries with primary immunodeficiencies have been adversely impacted by reimbursement changes that went into effect in January 2005. PIDD Medicare beneficiaries suffered proportionately more difficulty obtaining IVIG infusions and suffered more health problems than patients with private insurance.

2006 Patient Results

- Medicare beneficiaries more likely to report having trouble in getting IVIG therapy since 2005 than private pay patients (27%-12%)
- Medicare beneficiaries are more than two times as likely than are private pay patients to report negative health effects since the beginning of 2005 as a result of problems in obtaining or paying for IVIG.
- The likelihood and number of health related problems experienced by patients with PIDD with Medicare is directly correlated with their difficulty in obtaining IVIG therapy.

FINDINGS FROM 2006 IDF SURVEYS (CON'T)

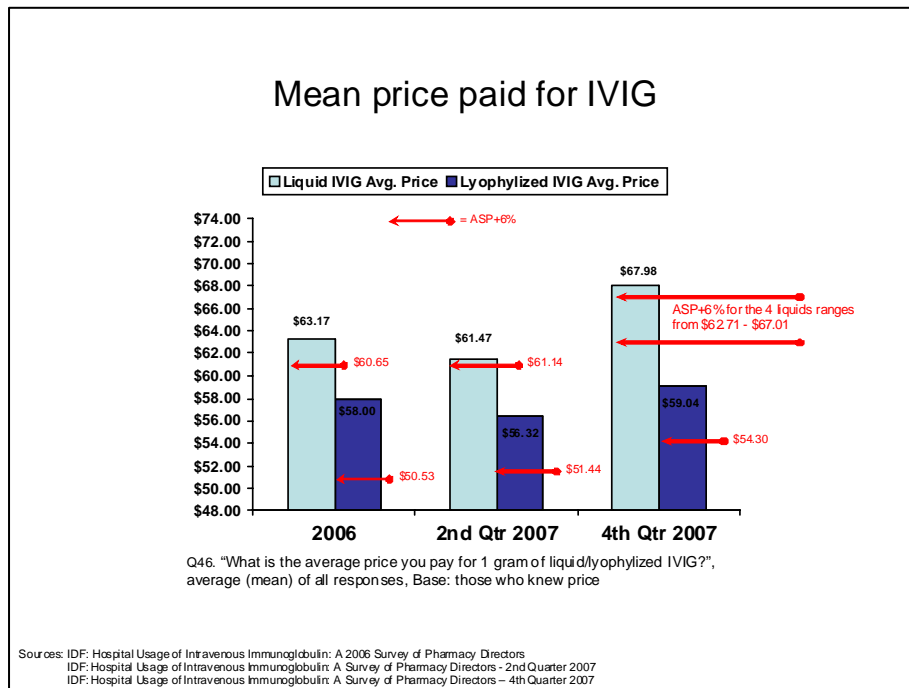
2006 Physician Results

- Average price for liquid IVIG is **11% higher** than reimbursement. **44%** of physicians pay more for the liquid product than they are reimbursed.
- Average price for lyophilized IVIG is **19% higher** than reimbursement. **81%** of physicians pay more for lyophilized IVIG than they are reimbursed.

FINDINGS FROM 2007 IDF SURVEYS

2006 & 2007 IDF Hospital Pharmacist Surveys

The 2007 IDF National Surveys of Hospital Pharmacists, which followed up on a similar survey conducted by IDF in 2006, were conducted in the 2nd and 4th quarters of 2007. Survey results indicate that although there seems to be an improvement between 2006 and 2007, the average price paid for 1 gram of IVIG still exceeds the Medicare reimbursement.



In the 4th Quarter 2007, a substantial proportion of hospitals paid more for their IVIG purchases than Medicare reimbursement. The gap between Medicare reimbursement and the actual prices paid for IVIG is between 38- 67% depending on the specific brand of IVIG that was purchased. Based on IDF surveys the average patient receives 30 grams of IVIG per infusion. The means that the average hospital is losing \$29- \$158 each time they infuse a Medicare patient with IVIG.

2007 IDF National Patient Survey

The 2007 IDF Patient survey was conducted in the fall of 2007 with 1,400 respondents. Although not designed as a stand alone IVIG access and availability survey, IDF took the opportunity to ask respondents what, if any, problems they may have faced in receiving their IVIG therapy in the previous 12 months. Forty-one percent (41%) of Medicare Beneficiaries reported at least one problem in the past 12 months as a result of product availability of reimbursement compared to only 29% of those with private pay insurance.

FINDINGS FROM 2008 IDF MEDICARE BENEFICIARY IVIG ACCESS SURVEY

The 2008 IDF Medicare Beneficiary survey was conducted in July 2008. Just over 500 Medicare beneficiaries were randomly selected to participate which resulted in 245 completions.

- 11% of the respondents were not currently receiving immunoglobulin therapy (IgG). When asked why they were not currently receiving IgG therapy 50% responded that Medicare coverage was lacking or was not enough.
- 39% of the respondents reported at least one problem in the past 12 months as a result of the cost or coverage for their IgG therapy.
 - Medicare only beneficiaries were much more likely to report a problem in the past 12 months when compared to Medicare beneficiaries who also held supplemental insurance (60% to 35%).
- 17% of Medicare beneficiaries reported a health problem in the past 12 months as a result of problems in getting or paying for their IgG therapy.
 - Medicare only beneficiaries were much more likely to report a problem in the past 12 months when compared to Medicare beneficiaries who also have supplemental insurance (28% to 16%)
- 28% of the patients were not receiving their IgG therapy at the same location as in December of 2006. Of those who changed locations:
 - 33% were changed because insurance reimbursement was inadequate
 - 13% were switched to a different mode of therapy (subcutaneous) for insurance reasons
 - 8% changed because IVIG was no longer available at their former location.