



Competitive Acquisition Program (CAP) for Part B Drugs and Biologicals - Ask the Contractor Teleconference

October 3, 2007



CAP Background



- Legislated by Section 303 (d) of the Medicare Prescription Drug, Improvement and Modernization Act (MMA) of 2003
- Gives Physicians a choice between
 - Buying and billing CAP drugs under the Average Sales Price (ASP) system or
 - Obtaining CAP drugs from Vendors selected in a competitive bidding process



CAP Drugs



- Includes approximately 190 injectable and infused Part B drugs most commonly provided by Physicians “incident to” an office visit
 - List of CAP drugs on the CMS website in the downloads section:
 - http://www.cms.hhs.gov/CompetitiveAcquisforBios/02_infophys.asp

Note: Drugs not available through the CAP are purchased through the ASP (buy and bill) method



CAP Physician Eligibility



- Enrolled as a Medicare Part B provider with authority to prescribe or order Medicare Part B drugs
- Provides Part B drugs incident to a physician's service in an office setting
- If a group elects to participate in CAP, all members of the group must elect into CAP



Tax Relief and Health Care Act of 2006



- Congressional Passage of Amendment to CAP Legislation – December 2006
- Changes claims payment system for CAP drugs
 - From a matching procedure (Physician's drug administration claim is matched to a Vendor's drug claim)
 - To an up front payment for Vendors' drug claims with post pay review



Tax Relief and Health Care Act of 2006 ^[2]



- The post pay review process
 - Intended to assure that payment for a drug or biological is made only if the drug or biological has been administered to a Beneficiary
 - May include the use of statistical sampling
- Overpayments shall be recouped, offset or otherwise collected



Tax Relief and Health Care Act of 2006 ^[3]



- Post pay process applies to payment for CAP drugs supplied
 - On or after July 1, 2006 and before April 1, 2007 for claims unpaid as of April 1, 2007
 - On or after April 1, 2007



Physician Election Timeframes for 2008



- **October 1, 2007 – November 15, 2007**
- Election form **postmarked** by November 15, 2007
- CAP Physicians are required to re-submit an election form every year during the annual election period if they wish to continue participating in CAP
- **Mail election forms to Local Carrier**
 - **Addresses for local carriers can be found at :**
http://www.cms.hhs.gov/MedicareProviderSupEnroll/Downloads/contact_list.pdf



Terms of Agreement



- **In choosing to participate in CAP, Physician is agreeing to:**
 - Bill drug administration within 14 days of administration date
 - Accept assignment on the administration of the drug
 - Pursue appeals/redeterminations
 - Comply with billing provisions
 - Submit a written order and maintain separate inventory
 - Not to transport drugs from one location to another
 - Give the beneficiary the CMS developed fact sheet

For additional information visit the CMS website in the downloads section:

http://www.cms.hhs.gov/CompetitiveAcquisforBios/02_infophys.asp#TopOfPage



Fact Sheet for Beneficiaries



- Participating CAP Physicians are required to provide the CAP Beneficiary Fact Sheet to Medicare beneficiaries who receive CAP drugs on their first visit. CAP physicians can provide as many copies of the CAP Beneficiary Fact Sheet as necessary
 - Beneficiary Fact Sheet available in English and Spanish on CMS website in the downloads section
 - http://www.cms.hhs.gov/CompetitiveAcquisforBios/02_infophys.asp
 - To order copies of the Beneficiary Fact Sheet visit the CMS website to set up an account
 - <http://pubordering.cms.hhs.gov/maillinglist>



Expected Administration Date



- **Once a drug is ordered and received from the Approved CAP Vendor, the drug:**
 - Should be administered within the 7 day expected date range that was communicated to the Approved CAP Vendor on the original drug order
- **If drug was not administered or a smaller amount was administered than was originally ordered:**
 - Physician should notify the Approved CAP Vendor to determine a course of action. If the Approved CAP Vendor is unable to resolve the issue, the Vendor can ask for assistance from the Designated Carrier under the dispute resolution process



CAP Drug Ordering Process



- Participating CAP Physicians must receive all CAP drugs from the Approved CAP Vendor selected
 - Only exception is “Furnish as Written”



CAP Drug Shipments



- Continental United States, Alaska, Hawaii, US Virgin Islands, Puerto Rico:
 - Routine deliveries: 2 business days
 - Emergency deliveries: 1 business day
- Guam, American Samoa and the Northern Mariana Islands:
 - Routine deliveries: 7 business days
 - Emergency deliveries: 5 business days



Billing CAP Claims: Physician



- **Participating CAP Physicians submit claims to their Local Carrier**
 - Line for the drug administration service/or office visit
 - CAP drug HCPCS code with appropriate CAP modifier (J1, J2, J3, M2)



Billing CAP Claims: Vendor



- **Approved CAP Vendor** submits claims to **CAP Designated Carrier** for CAP drugs
- **Approved CAP Vendor** collects **applicable deductible and co-insurance** for CAP drug
 - Cost sharing is 20% of Medicare allowed based on CAP price



Physician Billing - CAP Modifiers



- **J1 - “No pay” modifier for drug line:**
 - Must always be billed in first position
- **J2 - Emergency Situations:**
 - Participating CAP Physicians can use a drug from their own inventory and after administration, replace the drug by ordering it from the Approved CAP Vendor
 - Bill J2 modifier (Bill J1 modifier on same line in first position)



Physician Billing - CAP Modifiers



- **J3 - “Furnish as Written”**
 - Used when a Medical necessity requires a beneficiary to have a specific NDC for a CAP drug, but the NDC is not available from the CAP Physician’s selected Approved CAP Vendor
 - Physician will be paid under ASP
 - Cannot be used with J1 or J2 modifiers



Physician Billing - CAP Modifiers [2]



- **M2 – Medicare Secondary Payer (MSP) modifier would be appropriate:**
 - CAP Physician determines another insurance is primary to Medicare so the drug is obtained through ASP from an outside source/entity
 - Drug is administered to the patient
 - CAP Physician determines Medicare is actually primary and the drug should have been obtained through the CAP Approved Vendor
 - Physician/Group will affix the M2 modifier to the drug line of the claim and submit to the local carrier
 - M2 modifier will allow for payment to be made under ASP



CAP Claim Submission- Physician



- **Prescription order number (provided by the Approved CAP Vendor which can be up to 30 digits) is reported**
 - CMS –1500 Form item 19
 - ANSI 4010A1 electronic claims at the line level in the 2410 Loop, REF02 (REF01=XZ)
- **For electronic claims only: NDC must also be submitted in 2410 Loop, LIN03 (LIN02=N4)**
 - Implementation Guide requires the entry of the NDC in the LIN segment in order to enter the prescription order number



CAP Billing Example with J1 Modifier - Physicians Portion

Note: The billing example is for illustrative purposes only



| | | | | | | | | | | | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 19. RESERVED FOR LOCAL USE | | | | | | | | | | 20. OUTSIDE LAB? <input type="checkbox"/> YES <input type="checkbox"/> NO \$ CHARGES | | | | | | | | | |
| 21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line) | | | | | | | | | | 22. MEDICAID RESUBMISSION CODE ORIGINAL REF. NO. | | | | | | | | | |
| 1. 250.00 | | | | | | | | | | 23. PRIOR AUTHORIZATION NUMBER | | | | | | | | | |
| 2. _____ | | | | | | | | | | 3. _____ | | | | | | | | | |
| 4. _____ | | | | | | | | | | 5. _____ | | | | | | | | | |
| 24. A. DATE(S) OF SERVICE From To MM DD YY MM DD YY | | | | | | | | | | B. PLACE OF SERVICE C. EMG D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS MODIFIER E. DIAGNOSIS POINTER F. \$ CHARGES G. DAYS OR UNITS H. EP/OT Family Plan I. ID. QUAL. J. RENDERING PROVIDER ID. # | | | | | | | | | |
| 09 19 07 09 19 07 | | | | | | | | | | 90772 50 00 NPI | | | | | | | | | |
| 09 19 07 09 19 07 | | | | | | | | | | J2357 J1 100 00 NPI | | | | | | | | | |
| 3 | | | | | | | | | | NPI | | | | | | | | | |
| 4 | | | | | | | | | | NPI | | | | | | | | | |
| 5 | | | | | | | | | | NPI | | | | | | | | | |
| 6 | | | | | | | | | | NPI | | | | | | | | | |
| 25. FEDERAL TAX I.D. NUMBER SSN EIN | | | | | | | | | | 26. PATIENT'S ACCOUNT NO. | | | | | | | | | |
| 27. ACCEPT ASSIGNMENT? (For govt. claims, see back) <input type="checkbox"/> YES <input type="checkbox"/> NO | | | | | | | | | | 28. TOTAL CHARGE \$ | | | | | | | | | |
| 29. AMOUNT PAID \$ | | | | | | | | | | 30. BALANCE DUE \$ | | | | | | | | | |
| 31. SIGNATURE OF PHYSICIAN OR SUPPLIER INCLUDING DEGREES OR CREDENTIALS (I certify that the statements on the reverse apply to this bill and are made a part thereof) | | | | | | | | | | 32. SERVICE FACILITY LOCATION INFORMATION | | | | | | | | | |
| 33. BILLING PROVIDER INFO & PH # () | | | | | | | | | | a. NPI b. NPI | | | | | | | | | |
| SIGNED DATE | | | | | | | | | | a. NPI b. NPI | | | | | | | | | |

NUCC Instruction Manual available at: www.nucc.org PLEASE PRINT OR TYPE APPROVED OMB-0938-0999 FORM CMS-1500 (08-05)



Notifying Clearinghouses about CAP



- Before electing to participate, Physicians must determine whether the clearinghouses and software that process their insurance claims are compatible with CAP requirements
 - Prescription order number
 - NDC number



Billing Tips for Drug CAP



- Participating CAP Physicians will receive a Billing Tip Sheet with each drug shipment order
 - www.cms.hhs.gov/CompetitiveAcquisforBios/Downloads/cap_billtips



CAP Resources



- **CMS Website**
 - www.cms.hhs.gov/CompetitiveAcquisforBios/
 - Information for physicians and CMS-CAP-Physicians-L Electronic Mailing List
 - Vendor update and drug list
 - Links to regulations and notices
 - CAP Physician Election Agreement
 - www.cms.hhs.gov/CompetitiveAcquisforBios/02_infophys.asp
- **NAS Website**
 - https://www.noridianmedicare.com/cap_drug/
 - Approved CAP Vendor E-mail List sign up
 - Drug CAP Presentations
 - Production Alerts
 - Post Payment Review, Overpayments and CAP Vendors
 - What's New
- **Approved CAP Vendor's Website**
 - www.bioscrip.com



Key Points for Physician Election



- Review CAP Physician Election Agreement on CMS website
- Review NDC list to determine which forms of drugs will be provided
 - Contact the Approved CAP Vendor for questions about specific operational information about shipment policies and ordering details
 - If you have additional questions, please contact your Local Carrier or Noridian Administrative Services, LLC (NAS) at (888) 671-0536



Key Points for Physician Election ^[2]



- If choosing to participate,
 - Download and complete CAP physician election agreement
 - Mail to Physician's Local Carrier
 - Election Forms must be postmarked by November 15, 2007



Key Points for Physician Election ^[3]



- Be certain all group members and practice location addresses are listed on the election agreement. The address listed is where the drug will be shipped and administered



Telephone Numbers



- CAP Noridian Contact Center
– (888) 671-0536





Questions?

