



Competitive Acquisition Program (CAP) for Part B Drugs and Biologicals – JA4404

Related CR Release Date: April 28, 2006

Date Job Aid Revised: April 28, 2006

Effective Date: April 28, 2006

Implementation Date: May 30, 2006

Key Words MM4404, CR4404, R932CP, Enrollment, Election, CAP, Drugs, Biologicals, Election

Contractors Affected Medicare Carriers

Provider Types Affected Providers billing Medicare Carriers for Medicare Part B drugs and biologicals



Physicians will be given an opportunity to elect to participate in the CAP on an annual basis, and practitioners who elect to participate in the CAP will be required to remain in the program at least one calendar year except under certain circumstances.

Physicians who elect to participate in the CAP will be required to complete a CAP election agreement. In 2006, the election period will occur from May 8, 2006, to June 2, 2006, and the term of election will run from July 1 to December 31, 2006.

Provider Needs to Know...

- The first physician election period is May 8 to June 2, 2006.
- The 2006 CAP period is July 1- December 31, 2006.
- For 2007 and subsequent years, the CAP program will run from January 1 to December 31 with a 45-day physician election period occurring in the fall.
- The CAP is open to any provider, including Physician Assistants and Nurse Practitioners, who is enrolled as a Medicare Part B provider with authority to prescribe or order Medicare Part B drugs.
- Participation in the CAP is voluntary.
- Providers will continue to bill the local carrier for the administration of the drug.

- All Local Coverage Determinations (LCDs) will continue to apply to drug administration and CAP drug claims.
 - Completed CAP Physician Election Agreements should be sent to the physician's local carrier.
 - The CAP Physician Election Agreement and instructions can be found at http://www.cms.hhs.gov/CompetitiveAcquisforBios/02_infophys.asp on the CMS website.
 - If a physician chooses to participate in the CAP, he/she must agree to the following conditions:
 - File CAP drug administration claims within 14 days of administering the drug;
 - Share information with the approved CAP vendor to facilitate the collection of applicable deductible and co-insurance;
 - Pursue timely and appropriate appeals for CAP claims that are denied because of medical necessity issues;
 - Provide support to approved CAP vendors for administrative appeals of drug administration claim denials, including supplying medical records and written statements;
 - Accept assignment for CAP drug administration claims;
 - Notify the approved CAP vendor when a CAP drug is not administered;
 - Agree to comply with emergency drug replacement rules;
 - Agree to requirements of the 'furnish as written' provision; and
 - Maintain a tracking system for each CAP drug obtained.
 - Physicians must download the form and complete pages 1, 5 and 6 of the agreement.
 - If additional practice sites exist (if the practice operates from and expects to administer CAP drugs at more than one address), use additional copies of page 6 to list the additional practice addresses and the physicians who practice at the other location(s).
 - An authorized official or physician must sign page 5 and mail a completed election form with an original signature to the physician's local carrier.
 - An authorized official is an appointed official to whom the provider has granted the legal authority to enroll it in the Medicare program, to make changes and/or updates to the provider's status in the Medicare program and to commit the provider to fully abide by the laws, regulations and program instructions of Medicare.
 - For 2006, physician election agreements must be postmarked by June 2, 2006.
 - Local carriers will only process the election agreement if it is filled out completely and correctly.
 - Practices that submit claims to multiple local carriers will need to submit a separate
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election agreement to each carrier.

- New physicians will have 90 days to elect to participate in the CAP.
- Local carriers will forward the physician election information to the Designated Carrier who will inform the approved CAP vendor of the physicians that have elected them.
- When members in a group practice bill Medicare using the group's Physician Identification Number (PIN), or National Provider Identifier (NPI), when available, they must commit as a group practice to participate in the CAP. In order for a physician to "buy and bill" separately from the group he or she must not have reassigned his or her benefits to the group, and must be billing using his or her individual PIN, or NPI when available. If a physician in that situation elects to participate in the CAP as an individual, he or she would complete the CAP physician election form with his or her individual PIN, or NPI when available, and other requested information.
- Physicians who choose to participate in the program must annually elect to participate in the CAP program.
- Once a physician has elected to participate in CAP, he/she must obtain all drugs on the CAP drug list from their chosen vendor with exceptions for, furnish as written, and in emergency situations.
- For 2006, the category contains approximately 180 drugs, commonly administered in a physician's office. A list of the CAP drugs will be made available on the CMS website at www.cms.hhs.gov/CompetitiveAcquisforBios on the CMS website.
- For the initial CAP period, there is one approved CAP vendor. Information on the approved CAP vendor and the specific National Drug Codes that they will provide will be available at www.cms.hhs.gov/CompetitiveAcquisforBios/01_overview.asp on the CMS website.

Disenrolling from CAP or Changing CAP Vendors

- Physicians elect a CAP vendor for the calendar year and cannot change CAP vendors or withdraw from the CAP except under any of the following conditions:
 - The selected approved CAP vendor ceases to participate in the CAP. The physician can choose a different CAP vendor (if available) or can withdraw from the CAP.
 - The participating CAP physician leaves the group practice that had selected the approved CAP vendor.
 - The participating CAP physician relocates to another competitive area (once multiple competitive areas are established).
 - A physician is no longer able to obtain drugs for a beneficiary from the approved CAP vendor because of the beneficiary's failure to pay applicable cost sharing.
 - Other exigent circumstances as determined by CMS.
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Background

The Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA, Section 303 (d) <http://www.cms.hhs.gov/CompetitiveAcquisforBios>) requires the implementation of a competitive acquisition program (CAP) for Medicare Part B drugs and biologicals not paid on a cost or Prospective Payment System (PPS) basis.

Operational
Impact

N/A

Reference
Materials

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4404.pdf> on the CMS website.

The official instruction (CR4404) issued regarding this change may be found at <http://www.cms.hhs.gov/Transmittals/downloads/R932CP.pdf> on the CMS website.
