

**Medicare Part B Drug CAP Qs & As:**  
Post Payment Review, Overpayments and CAP Vendors

**Background:** Section 108 of the Tax Relief and Healthcare Act of 2006 (TRCHA) changes CAP claims payment methodology. It requires that payment for an approved CAP vendor's drug claim be made upon receipt of a claim rather than conditioning payment upon the drug's administration. Section 108 also requires the establishment of a post-payment review process, which may be issued by program instruction or otherwise, to assure that payment is made for a drug or biological only if the drug or biological has been administered to the beneficiary. Any overpayments identified by this process are required to be recouped, offset, or collected.

Q1: Who will conduct the CAP post payment review?

A: The CAP designated Carrier.

Q2: How is the post payment review process being used in the CAP similar to what is being used elsewhere in the program?

A: The changes to the CAP payment process required by TRHCA are new to the CAP. However, the procedures used to verify valid claims and ensure proper payment for drugs supplied under the CAP are based on established post payment processes used in other parts of the Medicare program. CMS has authority to conduct post payment review and to request medical records in Parts A and B of Medicare under Section 1833(e) of the Social Security Act. The CAP post payment review process is intended to work in conjunction with Item 12 on the Health Insurance Claim Form CMS-1500 which authorizes the release of a beneficiary's medical information when that information is necessary to process a claim.

Q3: Will the implementation of the post payment review duplicate efforts of other processes, specifically medical necessity review?

A: Efforts will not be duplicated. The CAP post payment review process will also assure that CAP claims are receiving appropriate medical review.

Q4: Will CMS request and review beneficiaries' medical records are a part of this process?

A: Yes.

Q5: Why will beneficiaries' medical records be reviewed?

A: Records requested under the CAP post payment review process will be used to establish medical necessity for a CAP drug claim and to ensure that payment for CAP drugs is only made if the drug was administered.

Q6: Will the requirements for CAP physicians to provide medical records be any different than requirements for providing medical records to another Medicare contractor?

A: No. The CAP post payment review will use similar procedures adopted from existing claims review activities in the Medicare program.