



News Flash - Effective March 1, 2008, Medicare fee-for-service 837P and CMS-1500 claims must include an NPI in the primary fields on the claim (i.e., the billing, pay-to, and rendering fields). You may continue to submit NPI/legacy pairs in these fields or submit only your NPI on the claim. You may not submit claims containing only a legacy identifier in the primary fields. Failure to submit an NPI in the primary fields will result in your claim being rejected or returned as unprocessable beginning March 1, 2008. Until further notice, you may continue to include legacy identifiers only for the secondary fields.

MLN Matters Number: MM5839

Related Change Request (CR) #: 5839

Related CR Release Date: December 13, 2007

Effective Date: January 1, 2008

Related CR Transmittal #: R1390CP

Implementation Date: January 7, 2008

Note: This article was updated on September 25, 2012, to reflect current Web addresses. All other information remains the same.

Quarterly Competitive Acquisition Program (CAP) Drug and Annual CAP Drug Price Updates

Provider Types Affected

Physicians billing Medicare Administrative Contractors (A/B MAC) and carriers for Medicare Part B drugs, and approved CAP vendors billing the designated Medicare A/B MAC or carrier.

What Providers Need to Know Action Needed

This article is based on Change Request (CR) 5839, which provides additional information and instructions for the implementation of the CAP pertaining to CAP drug categories and fee schedule as outlined in CR5079 (Transmittal 1055, dated September 11, 2006, <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1055CP.pdf>) and CR4064 (Transmittal 777, dated December 9, 2006, <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R777CP.pdf>) on the CMS website.

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Background

The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003, (MMA, Section 303 (d)) requires the implementation of a CAP for Medicare Part B drugs and biologicals not paid on a cost or prospective payment system basis. Beginning with drugs administered on or after July 1, 2006, physicians have a choice between buying and billing these drugs under the average sales price (ASP) system, or obtaining these drugs from vendors selected in a competitive bidding process.

CR4064 describes requirements for carriers to develop provider files that list physicians who have enrolled with an approved CAP vendor and the category (or categories) of drugs that the CAP vendor will furnish under the CAP as outlined in: <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM4064.pdf> on the CMS website.

CR5079 automated the process of updating the list of drugs paid under the CAP. CR5079 provides additional information and instructions for the implementation of the CAP pertaining to the CAP drug categories and fee schedule as outlined in <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM5079.pdf> on the CMS website.

Key Points of CR5839

The list of drugs supplied under the CAP is subject to quarterly drug updates and an annual price update. The Centers for Medicare & Medicaid Services (CMS) makes a CAP drug file available to the designated carrier once each quarter unless there are no updates to the CAP drug list, in which case the previous quarter's file continues to be used. Local carriers and A/B MACs receive the list of CAP drugs by HCPCS code from the CAP designated carrier.

- The CAP designated carrier shall download the January 2008 CAP drug pricing file through the CDC on or after December 18, 2007. The CAP designated carrier will then make the updated CAP drug list available to other contractors who process related claims.
- Medicare Contractors will receive CAP HCPCS updates from the designated carrier on or about December 21, 2007.
- Contractors will use the updated CAP drug list to establish the identity of drugs paid under the Medicare Part B Drug CAP.

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Additional Information

To see the official instruction (CR5839) issued to your Medicare A/B MAC or carrier, go to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1390CP.pdf> on the CMS website.

If you have questions, please contact your Medicare A/B MAC or carrier at their toll-free number, which may be found at: <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

News Flash - It's seasonal flu time again! If you have Medicare patients who haven't yet received their flu shot, you can help them reduce their risk of contracting the seasonal flu and potential complications by recommending an annual influenza and a one-time pneumococcal vaccination. Medicare provides coverage for flu and pneumococcal vaccines and their administration. – And don't forget to immunize yourself and your staff. Protect yourself, your patients, and your family and friends. Get Your Flu Shot – Not the Flu! Remember - Influenza vaccination is a covered Part B benefit but the influenza vaccine is NOT a Part D covered drug. Health care professionals and their staff can learn more about Medicare's coverage of adult immunizations and related provider education resources, by reviewing Special Edition *MLN Matters* article SE0748 at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/SE0748.pdf> on the CMS website.

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