

Attention Physicians!



Effective October 1, 2006, Medicare will only generate Health Insurance Portability and Accountability Act (HIPAA) compliant remittance advice transactions -- 835 version 004010A1—to all electronic remittance advice receivers. For more details, see MLN Matters article SE0656 at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/SE0656.pdf> on the CMS website.

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Transitional Use of Medicare Part B Drug Competitive Acquisition Program (CAP) Resupply Option and the J2 Modifier

Provider Types Affected

Physicians participating in the CAP program who have submitted claims to Medicare carriers for services related to the emergency administration of Part B drugs to Medicare beneficiaries in their office.

Provider Action Needed



STOP – Impact to You

The Centers for Medicare & Medicaid Services (CMS) discovered that during CAP implementation, certain situations arose where participating CAP physicians may have 1) administered drugs to Medicare beneficiaries from their office stock in situations that may not have met the required criteria, and 2) sought a replacement drug product through the use of the 'J2' restocking modifier.



CAUTION – What You Need to Know

Until September 30, 2006, CAP participating physicians who submitted claims for CAP drugs under the ASP (buy and bill) system may request that these claims be

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reopened and reprocessed as a CAP claim if the claims are submitted with the appropriate CAP information and the J2 modifier.



GO – What You Need to Do

See the *Background* and *Additional Information* sections of this article for further details.

Background

The Centers for Medicare & Medicaid Services (CMS) established the Competitive Acquisition Program (CAP) to offer physicians who administer Part B drugs to Medicare beneficiaries in their offices the option of obtaining many of these drugs under the CAP starting on January 1, 2006. Additional background information on the CAP can be found at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Part-B-Drugs/CompetitiveAcquisforBios/index.html/CompetitiveAcquisforBios/> on the CMS website.

Physicians are required to obtain all drugs on the CAP drug list from an approved CAP vendor. However, in certain circumstances the physician may administer a drug from his/her office stock using the 'J2' restocking modifier if (in the physician's clinical judgment) the conditions stated in business requirement (BR) 4064.5 are met (To view full details of CR4064, see its related MLN Matters article, MM4064, at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM4064.pdf>.)

CMS discovered that during CAP implementation, certain situations arose where participating CAP physicians may have 1) administered drugs to Medicare beneficiaries from their office stock in situations that may not have met the criteria listed in BR4064.5, and 2) sought a replacement drug product through the use of the 'J2' restocking modifier.

Many of these situations 1) arose during the CAP physicians' transition from the ASP (buy and bill) system to the CAP, and 2) were related to delays and other procedural issues encountered during the physician election process.

Prior to September 30, 2006

During the next several weeks, CMS advises CAP participating physicians who have had ASP claims for CAP drugs denied that they may request that their claims be reopened and reprocessed as a CAP claim if the claims are submitted with the appropriate CAP information and the J2 modifier.

After September 30, 2006

CMS expects the CAP resupply option to be used only in situations that meet the criteria described in BR 4064.5.

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Additional Information

If you have any questions, please contact your 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.

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