

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1390	Date: DECEMBER 13, 2007
	Change Request 5839

SUBJECT: Part B Drug Competitive Acquisition Program (CAP) Quarterly Drug Updates and Annual Price Updates

I. SUMMARY OF CHANGES: The list of drugs supplied under the CAP is subject to quarterly updates and an annual price update as described in BR 5079.3 and BR 5079.4.

New / Revised Material

Effective Date: January 1, 2008

Implementation Date: January 7, 2008

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
N/A	

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

SECTION B: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – Recurring Update Notification

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SUBJECT: Part B Drug Competitive Acquisition Program (CAP) Quarterly Drug Updates and Annual Price Updates

Effective Date: January 1, 2008

Implementation Date: January 7, 2008

I. GENERAL INFORMATION

NOTE: This is not a stand-alone CR. This CR provides additional details, information and instructions for the implementation of the CAP as outlined in CRs 5079 and 4064. The term “carrier” used in this document will be superseded by the term “MAC” during the ongoing contractor reform process.

A. Background: Section 303 (d) of the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003, 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 basis. Beginning with drugs administered on or after July 1, 2006, physicians will be given 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.

B. Policy: Quarterly CAP drug updates and annual CAP drug price updates are transmitted by this recurring CR.

As described in BR 5079.3 and BR 5079.4, the list of drugs supplied under the CAP is subject to quarterly updates and an annual price update which must be disseminated to the CAP designated carrier and then local carriers. 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 shall continue to be used. Local carriers and A/B MACs shall, in turn, receive CAP HCPCS updates from the designated carrier.

II. BUSINESS REQUIREMENTS TABLE

“Shall” denotes a mandatory requirement

Number	Requirement	Responsibility (place an “X” in each applicable column)											
		A / B	D M E	F I	C A R R I E R	D M R R I C	R E H I	E H C	Shared-System Maintainers				OTHER
		M A C	M A C					F I S S	M C S	V M S	C W F		
5839.1	Quarterly updates for the Medicare Part B Drug CAP will be available via												CAP Designated Carrier

Number	Requirement	Responsibility (place an "X" in each applicable column)											
		A / B	D M E	F I	C A R R I E R	D M R C	R E H I	E D C	Shared-System Maintainers				OTHER
									F I S S	M C S	V M S	C W F	
	the CMS Data Center (CDC).												
5839.1.1	[Adjust date and file name as needed] Contractor shall download the January 2008 CAP drug list file through the CDC on or after November 30, 2007. Final File: MU00.@BF12390.ASP. CAP.CY08.JANCODE												CAP Designated Carrier
5839.1.2	The contractor shall add the new drugs listed in the file to the CAP drug table under the corresponding drug category or categories.												CAP Designated Carrier
5839.1.3	The CAP designated carrier shall make the updated CAP drug list available to other contractors who process related claims.	X			X								CAP Designated Carrier
5839.2	Contractors shall receive CAP HCPCS updates from the designated carrier on or about December 3, 2007 [adjust date as needed]	X			X								
5839.3	Contractors shall use the updated CAP drug list to establish the identity of drugs paid under the Part B Drug CAP.	X			X								
5839.4	Contractor shall download the 2008 CAP drug pricing file through the CDC on or after												CAP Designated Carrier

Number	Requirement	Responsibility (place an "X" in each applicable column)											
		A / B	D M E	F I	C A R R I E R	D M R R I C	R E H I C	E D C	Shared-System Maintainers				OTHER
									F I S S	M C S	V M S	C W F	
	December 18, 2007. Final file: MU00.@BF12390.ASP .CAP.CY08.JAN.V12 18												
5839.4.1	The contractor shall implement the revised payment amounts for claims with dates of service in calendar year 2008 per the new file.												CAP Designated Carrier

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)											
		A / B	D M E	F I	C A R R I E R	D M R R I C	R E H I C	E D C	Shared-System Maintainers				OTHER
									F I S S	M C S	V M S	C W F	
5839.5	For quarters during which the CAP drug list is updated, a provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMaterialsArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In	X			X								CAP Designated Carrier

Number	Requirement	Responsibility (place an "X" in each applicable column)											
		A / B	D M E	F I	C A R R I E R	D M R C	R E H I	E D C	Shared-System Maintainers				OTHER
									F I S S	M C S	V M S	C W F	
	addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.												

IV. SUPPORTING INFORMATION

A. Recommendations and supporting information associated with listed requirements:

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
CR 5079	Competitive Acquisition Program (CAP) – Creation of Automated Tables for Provider Information, Expansion of CAP Fee Schedule File Layout....
CR 4064	Competitive Acquisition Program (CAP) for Part B Drugs

B. All other recommendations and supporting information:

V. CONTACTS

Pre-Implementation Contact(s):

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Post-Implementation Contact(s): Appropriate Regional Office.

VI. FUNDING

A. For Fiscal Intermediaries and Carriers:

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B. For Medicare Administrative Contractors (MAC):

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