

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1576	Date: AUGUST 15, 2008
	Change Request 6158

SUBJECT: Part B Drug Competitive Acquisition Program (CAP) Quarterly Drug List Update

I. SUMMARY OF CHANGES: As described in BR 5079.3 and BR 5079.4, the list of drugs supplied under the CAP is subject to quarterly updates 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. The attached Recurring Update Notification applies to Chapter 17, Section 100.8.2.

New / Revised Material

Effective Date: October 1, 2008

Implementation Date: October 6, 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

Pub. 100-04	Transmittal: 1576	Date: August 15, 2008	Change Request: 6158
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SUBJECT: Part B Drug Competitive Acquisition Program (CAP) Quarterly Drug List Update

Effective Date: October 1, 2008

Implementation Date: October 6, 2008

I. GENERAL INFORMATION

NOTE: This CR provides additional details, information, and instructions for the implementation of the CAP as outlined in CRs 5079 and 4064. CRs 5839, 5948, and 6053 contain information about the CAP quarterly drug updates for 2008 thus far. Information about the CAP can be found in Pub. 100-04, Chapter 17, sections 100.1-101 of the IOM and information on changes to the CAP drug list can be found in section 100.8.2. 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 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 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 MAC	D M E M A C	F I R I E R	C A R I E R	R H I H I	E D C	Shared-System Maintainers				OTHER
								F I S S	M C S	V M S	C W F	
6158.1	Quarterly updates for the Medicare Part B Drug CAP shall be available via the CMS Data Center (CDC).											CAP Designated Carrier
6158.1.1	Contractor shall download the October 2008 CAP drug list file through the CDC on or after September 1, 2008. Final File: MU00.@BF12390.ASP. CAP.CY08.OCTCODE											CAP Designated Carrier
6158.1.2	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
6158.1.3	The CAP designated carrier shall make the updated CAP drug list available to other contractors who process related claims.	X			X							CAP Designated Carrier
6158.2	Contractors shall obtain CAP HCPCS updates from the designated carrier on or about September 10, 2008 (adjust date as needed).	X			X							
6158.3	Contractors shall use the updated CAP drug list to establish the identity of drugs paid under the Part B Drug CAP.	X			X							

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	D M E M A C	F I	C A R R I E R	R H H I	E D C	Shared-System Maintainers				OTHER
								F I S S	M C S	V M S	C W F	
6158.4	Contractor shall download the 2008 CAP drug pricing file through the CDC on or after September 17, 2008. Final file: MU00.@BF12390.ASP.CAP.CY08.OCT.V0917.											CAP Designated Carrier
6158.4.1	The contractor shall implement the payment amounts for claims with dates of service beginning October 1, 2008 per the new file.											CAP Designated Carrier

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)										
		A/B MAC	D M E M A C	F I	C A R R I E R	R H H I	E D C	Shared-System Maintainers				OTHER
								F I S S	M C S	V M S	C W F	
6158.5	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/MLN MattersArticles/ 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	X			X							CAP Designated Carrier

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	D M E M A C	F I	C A R R I E R	R H I	E D C	Shared-System Maintainers			
							F I S S	M C S	V M S	C W F	
	their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In 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
CR 5839	Part B Drug Competitive Acquisition Program (CAP) Quarterly Drug Updates and Annual Price Updates
CR 5948	Part B Drug Competitive Acquisition Program (CAP) Quarterly Drug Update
CR 6053	Part B Drug Competitive Acquisition Program (CAP) Quarterly Drug Update

B. All other recommendations and supporting information:

V. CONTACTS

Pre-Implementation Contact(s): Edmund Kasaitis, (410) 786-0477, Edmund.Kasaitis@cms.hhs.gov or Bonny Dahm, 410-786-4006, Bonny.Dahm@cms.hhs.gov .

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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