



MLN Matters®



Official Information Health Care Professionals Can Trust

MLN Matters Number: MM5546

Related Change Request (CR) #: 5546

Related CR Release Date: March 19, 2007

Effective Date: April 1, 2007

Related CR Transmittal #: R1207CP

Implementation Date: April 19, 2007



Do you have your NPI? National Provider Identifiers (NPIs) will be required on claims sent on or after May 23, 2007. Every health care provider needs to get an NPI. Learn more about the NPI and how to apply for an NPI by visiting <http://www.cms.gov/Regulations-and-Guidance/HIPAA-Administrative-Simplification/NationalProviderStand/index.html> on the CMS website.

Competitive Acquisition Program (CAP) for Part B Drugs

Note: This article was updated on June 15, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Approved CAP vendors billing the designated carrier

Background

This article and related Change Request (CR) 5546 provide additional details, information, and instructions for the implementation of the CAP as outlined in MLN articles 4064, 4309, 5079, 5332 and CR4306. (The web addresses for these articles are listed in the *Additional Information* section of this article.)

Key Points of CR5546

The following are the key points listed in the revised Chapter 17, Section 100 of the *Medicare Claims Processing Manual*, which is attached to CR5546:

OLD RULES

- **Under the MMA**, payment to the approved CAP vendor for a drug **was** conditioned upon the administration of the drug to the Medicare beneficiary.
- From July 1, 2006, through March 31, 2007, proof that the drug was administered **was** established by matching the participating CAP physician's claim for drug administration with the approved CAP vendor's claim for the drug in the Medicare claims processing system by means of a prescription

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

order number on both claims. **When the claims matched** in the claims processing system, the approved CAP **vendor was paid**.

NEW RULES

- Title 2, Section 108(a) of the Tax Relief and Health Care Act of 2006 (TRHCA), requires the Centers for Medicare & Medicaid Services (CMS) to pay an approved CAP vendor's CAP drug claim upon its receipt and to implement a **post payment review process** by April 1, 2007.
- The post payment review process is required to **assure that drugs supplied under the CAP were administered to a beneficiary**. CMS must establish a mechanism to recoup, offset or collect **any** overpayments to the approved CAP vendor. If upon post payment review, Medicare cannot substantiate drug administration, Medicare will treat that as an overpayment to the CAP vendor and take appropriate recovery action for the drug payment to the CAP vendor.
- CMS is implementing CAP claims processing changes in order to comply with TRHCA by April 1, 2007. Pending CAP claims submitted prior to April 1, 2007, but not processed by that date, and all new CAP claims submitted on or after April 1 will be paid upon receipt and will be subject to the post payment review process.

Additional Information

If you have questions, please contact your Medicare 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.

For complete details regarding this CR, please see the official instruction (CR5546) issued to your Medicare carrier. This instruction may be viewed by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1207CP.pdf> on the CMS website.

The following addresses link to the MLN articles listed in the Background section of this article. The articles can be accessed by visiting:

<http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM4064.pdf> for article MM4064 on the CMS website;

<http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM5332.pdf> for article MM5332 on the CMS website;

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

<http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM5079.pdf> on the CMS website for article MM5079; and

<http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM4309.pdf> on the CMS website for article MM4309.

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.