

## **Q&A on billing of CAP coinsurance to beneficiaries with no supplemental insurance**

**Question:** Under what circumstances may a CAP vendor proceed with billing coinsurance to beneficiaries with no supplemental insurance prior to receipt of Medicare's payment by the designated carrier?

**Answer:** In the November 21, 2005 Federal Register (70 FR 70251), we stated the conditions under which an approved CAP vendor may bill a beneficiary without supplemental insurance:

When an approved CAP vendor has supplied a CAP drug for administration to a beneficiary without supplemental insurance, the approved CAP vendor may bill the beneficiary upon receipt of Medicare's payment from the designated carrier or upon administration of the drug, if the approved CAP vendor has received notice of administration from the participating CAP physician. The approved CAP vendor may enter into a voluntary arrangement with a participating CAP physician to receive notification that the drug has been administered

In that regulation (page 70251), we also stated that nothing in the CAP statute or regulations prohibits CAP vendors and CAP physicians from entering into voluntary written arrangements about a number of matters. We specified that such voluntary written agreements could include the following:

- An arrangement between a participating CAP physician and an approved CAP vendor to notify the approved CAP vendor after the CAP drug has been administered to the beneficiary;
- An arrangement between a participating CAP physician and an approved CAP vendor to communicate with the beneficiary about coinsurance for CAP drugs on behalf of the approved CAP vendor.

Therefore, an approved CAP vendor may bill coinsurance to a beneficiary without supplemental insurance prior to receipt of Medicare's payment by the designated carrier under the following conditions:

- The vendor has a voluntary agreement with a participating CAP physician to notify the vendor that the CAP drug has been administered to the beneficiary; and
- the physician accordingly notifies the vendor that the drug has been administered.

Any vendor policy that meets these conditions is acceptable. In particular, agreement to provide notification of drug administration must be voluntary on the part of the physician: it cannot be required in any way by the vendor as a condition of participation in the CAP. Physicians who believe that they are being required to provide such notifications without having entered into such an agreement may employ the dispute resolution process under section 414.917 of the regulations to resolve the issue. The required notice of administration could be accomplished in a number of ways. For example, a physician could simply indicate that administration has occurred on a form, by means of a checked box, a column to designate "yes" or "no," or other clear confirmation.