



# Competitive Acquisition Program (CAP) for Part B Drugs & Biologicals Training for Supplemental Insurance Companies

**August 2007**



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# Agenda



- Background
- Basics of Part B Drug & Biologicals Program
- List of CAP drugs
- Tax Relief & Healthcare Act of 2006
- Flowchart of Program
- Claims Processing
- How will Coordination Of Benefits Contractor process the claims?
- References



# Background



- Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA) Section 303(d)
- Competitive Acquisition Program for Part B Drugs and Biologicals
  - No relation to Part D (PDP)
- Vendors Bid and are selected
- Physicians elect into CAP



# Basic CAP Information



- CMS Change Requests
  - Major CRs: 4064, 4309, 4306  
4173, 4404, 5079, 5207, 5259, 5546, 5579 &  
5658
- Designated Carrier vs. Local Carrier
- Vendors Submits CAP Drug Claims to Designated Carrier (Noridian Administrative Services, LLC)
- Physicians Submit Claims to Local Carrier (That is the carrier that processes the physicians Part B claims)



# CAP Drugs



- Includes approximately 190 injectable and infused Part B drugs most commonly provided by physicians “incident to” an office visit
  - List of CAP drugs on the CMS website:
    - <http://www.cms.hhs.gov/CompetitiveAcquisforBios/Downloads/CAPDrugList.pdf>



# Tax Relief and Health Care Act of 2006



- Congressional Passage of Amendment to CAP Legislation – December 2006
- Changes claims payment system for CAP drugs
  - From a matching procedure (physician's drug administration claim is matched to a vendor's drug claim)
  - Up front payment for vendors' drug claims with post pay review



# Tax Relief and Health Care Act of 2006 <sup>[2]</sup>



- The post pay review process
  - Intended to assure that payment for a drug or biological is made only if the drug or biological has been administered to a beneficiary
  - May include the use of statistical sampling
  - Overpayments shall be recouped, offset or otherwise collected





# Tax Relief and Health Care Act of 2006 <sup>[3]</sup>



- Post pay process applies to payment for CAP drugs supplied
  - On or after July 1, 2006 and before April 1, 2007 for claims that are unpaid as of April 1, 2007
  - On or after April 1, 2007

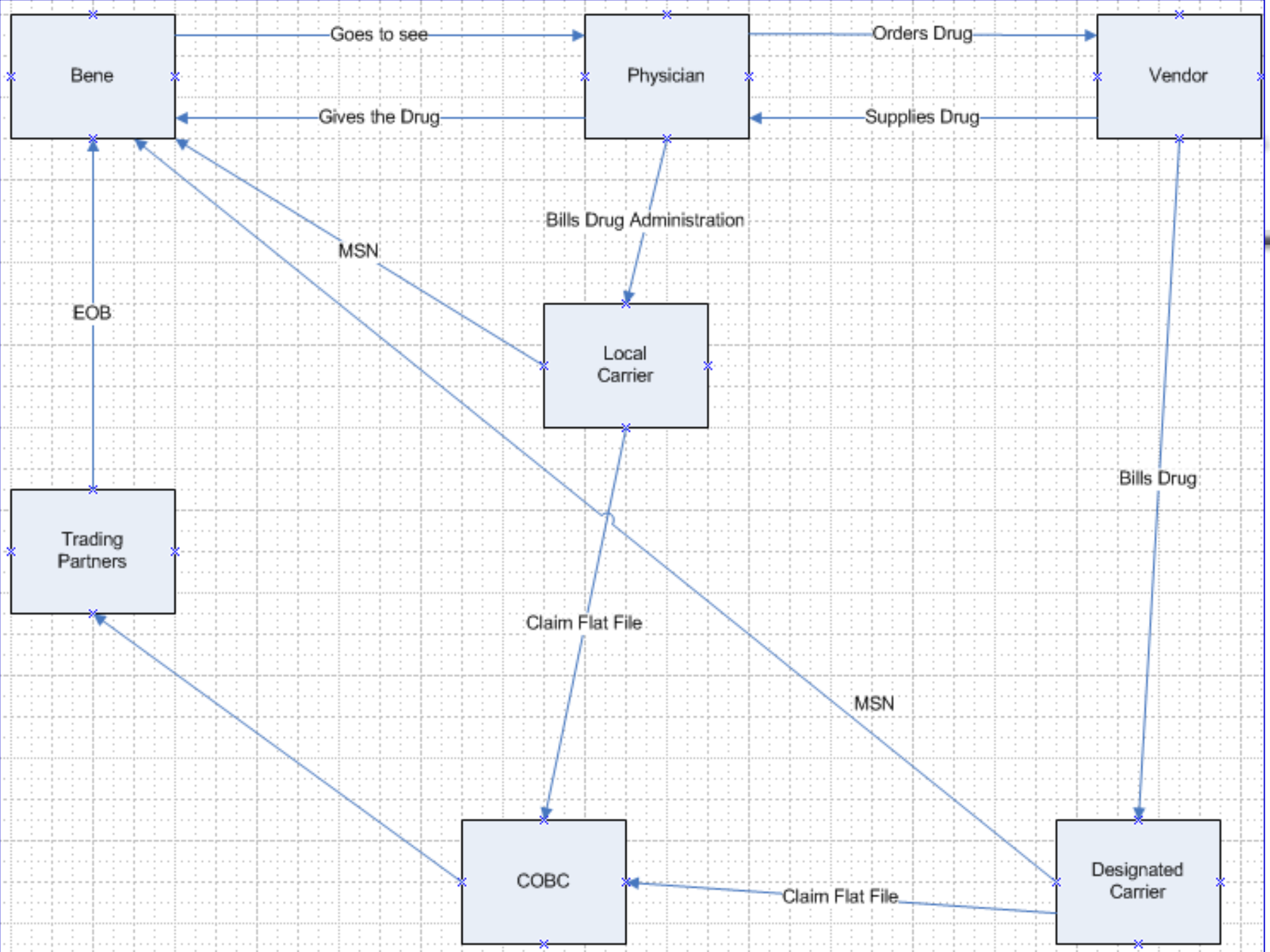


# CAP Claim Submission - Vendor



- Claims received on or after April 1, 2007 will no longer be held for 90 days searching for a match on the prescription order number
- Claims will be subject to post payment review and local carrier editing for possible denial for non coverage and medical necessity (CMS Change Request 5546)





# Designated Carrier (NAS) - Receives Drug claim from Approved CAP Vendor



Note: The following billing example is for illustrative purposes only. The loops and segments indicated on this slide are for supplemental insurance companies only.

Q103J1745AZ117

20. OUTSIDE LAB?  YES  NO \$ CHARGES

10. RESERVED FOR LOCAL USE

21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line)

1. 7140

3. V589

22. MEDICAID RESUBMISSION CODE

ORIGINAL REF. NO.

2. 7102

Vendor Receives Payment for HCPCS code

| 24. A. | DATE(S) OF SERVICE |    |      |    | B.               | C.   | D. PROCEDURES, SERVICES, SUPPLIES (E in Unusual Circumstances) |          |                   | F.         | G.            | H.               | I.        | J.                       |
|--------|--------------------|----|------|----|------------------|------|----------------------------------------------------------------|----------|-------------------|------------|---------------|------------------|-----------|--------------------------|
|        | From               | To |      |    | PLACE OF SERVICE | EMG  | ICD-9-CM                                                       | MODIFIER | DIAGNOSIS POINTER | \$ CHARGES | DAYS OR UNITS | EXPT Family Plan | ID. QUAL. | RENDERING PROVIDER ID. # |
|        | MM                 | DD | YY   | MM | DD               | YY   |                                                                |          |                   |            |               |                  |           |                          |
| 1      | 06                 | 1  | 2007 | 06 | 1                | 2007 | 11                                                             | J1745    | 1                 | 1600 00    | 1             |                  | NFI       |                          |
| 2      |                    |    |      |    |                  |      |                                                                |          |                   |            |               |                  | NFI       |                          |
| 3      |                    |    |      |    |                  |      |                                                                |          |                   |            |               |                  | NFI       |                          |
| 4      |                    |    |      |    |                  |      |                                                                |          |                   |            |               |                  | NFI       |                          |
| 5      |                    |    |      |    |                  |      |                                                                |          |                   |            |               |                  | NFI       |                          |
| 6      |                    |    |      |    |                  |      |                                                                |          |                   |            |               |                  | NFI       |                          |

HCPCS Maps to Loop 2430 SVD03-2 with SVD03-1 = HC

25. FEDERAL TAX I.D. NUMBER    26. PATIENT'S ACCOUNT NO.    27. ACCEPT ASSIGNMENT?    28. TOTAL CHARGE    29. AMOUNT PAID    30. BALANCE DUE

PHYSICIAN OR SUPPLIER INFORMATION

# Claim Processing - Local Carrier Receives Drug Administration and a No Pay Line from Physician



Note: The following billing example is for illustrative purposes only. The loops and segments listed on this slide are for supplemental insurance companies only.

|                             |  |  |  |  |  |  |  |  |  |                                                                           |  |  |  |  |  |  |  |  |  |                           |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|--|--|--|---------------------------------------------------------------------------|--|--|--|--|--|--|--|--|--|---------------------------|--|--|--|--|--|--|--|--|--|------------------------|--|--|--|--|--|--|--|--|--|------------------|--|--|--|--|--|--|--|--|--|-----------------|--|--|--|--|--|--|--|--|--|-----------------|--|--|--|--|--|--|--|--|--|----------|--|--|--|--|--|--|--|--|--|----------|--|--|--|--|--|--|--|--|--|-----------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 19. RESERVED FOR LOCAL USE  |  |  |  |  |  |  |  |  |  | 20. OUTSIDE LAB? <input type="checkbox"/> YES <input type="checkbox"/> NO |  |  |  |  |  |  |  |  |  | \$ CHARGES                |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Q103J1745AZ117              |  |  |  |  |  |  |  |  |  |                                                                           |  |  |  |  |  |  |  |  |  |                           |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 21. MEDICATED RESUBMISSION  |  |  |  |  |  |  |  |  |  | ORIGINAL REF. NO.                                                         |  |  |  |  |  |  |  |  |  |                           |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 24. A. DATE(S) OF SERVICE   |  |  |  |  |  |  |  |  |  | B. PLACE OF SERVICE                                                       |  |  |  |  |  |  |  |  |  | C. EMG                    |  |  |  |  |  |  |  |  |  | D. PROCEDURE(S)        |  |  |  |  |  |  |  |  |  | E. MODIFIER      |  |  |  |  |  |  |  |  |  | F. POINTER      |  |  |  |  |  |  |  |  |  | G. \$ CHARGES   |  |  |  |  |  |  |  |  |  | H. UNITS |  |  |  |  |  |  |  |  |  | I. QUAL. |  |  |  |  |  |  |  |  |  | J. RENDERING PROVIDER ID. # |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| MM DD YY MM DD YY           |  |  |  |  |  |  |  |  |  | SERVICE                                                                   |  |  |  |  |  |  |  |  |  |                           |  |  |  |  |  |  |  |  |  | OPTN CS                |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 1                           |  |  |  |  |  |  |  |  |  | 06 16 2007 06 1 2007 11                                                   |  |  |  |  |  |  |  |  |  | J1745                     |  |  |  |  |  |  |  |  |  | J1                     |  |  |  |  |  |  |  |  |  | 1                |  |  |  |  |  |  |  |  |  | 1600 00         |  |  |  |  |  |  |  |  |  | 1               |  |  |  |  |  |  |  |  |  | NFI      |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 0                           |  |  |  |  |  |  |  |  |  | 06 16 2007 06 1 2007 11                                                   |  |  |  |  |  |  |  |  |  | 96415                     |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  | 1                |  |  |  |  |  |  |  |  |  | 80 00           |  |  |  |  |  |  |  |  |  | 1               |  |  |  |  |  |  |  |  |  | NFI      |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 3                           |  |  |  |  |  |  |  |  |  |                                                                           |  |  |  |  |  |  |  |  |  |                           |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 4                           |  |  |  |  |  |  |  |  |  |                                                                           |  |  |  |  |  |  |  |  |  |                           |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 5                           |  |  |  |  |  |  |  |  |  |                                                                           |  |  |  |  |  |  |  |  |  |                           |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 6                           |  |  |  |  |  |  |  |  |  |                                                                           |  |  |  |  |  |  |  |  |  |                           |  |  |  |  |  |  |  |  |  |                        |  |  |  |  |  |  |  |  |  |                  |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |                 |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 25. FEDERAL TAX I.D. NUMBER |  |  |  |  |  |  |  |  |  | 39N EIN                                                                   |  |  |  |  |  |  |  |  |  | 28. PATIENT'S ACCOUNT NO. |  |  |  |  |  |  |  |  |  | 27. ACCEPT ASSIGNMENT? |  |  |  |  |  |  |  |  |  | 28. TOTAL CHARGE |  |  |  |  |  |  |  |  |  | 29. AMOUNT PAID |  |  |  |  |  |  |  |  |  | 30. BALANCE DUE |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |          |  |  |  |  |  |  |  |  |  |                             |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

RX order number maps to Loop 2410 REF02 where REF01=XZ On the professional claim

No Pay/HCPCS Line Physician does not receive payment for - maps to Loop 2430 SVD03-2 with SVD03-1 = HC

Modifiers map to Loop 2430 SVD03-3, SVD03-4, SVD03-5 and SVD03-6

PHYSICIAN OR SUPPLIER INFORMATION

# What will the Crossover Companies do with the No Pay line?



- Do Not Pay the physician's HCPCS code/No pay line that contains a J1 or both J1 and J2 CAP modifiers
- Message code that is crossed over on the HCPCS code/no pay line is CO B20
- The CAP Vendor is paid by the Designated Carrier for the HCPCS code/No pay line
- Lines with J3 or M2 modifiers are payable outside the CAP and therefore are eligible for supplemental payment



# Reference



- CMS Website:
  - [http://www.cms.hhs.gov/CompetitiveAcquisforBios/02\\_infophys.asp#TopOfPage](http://www.cms.hhs.gov/CompetitiveAcquisforBios/02_infophys.asp#TopOfPage)
  - Example on next slide





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## Competitive Acquisition for Part B Drugs & Biologicals

- » [Overview](#)
- » **[Information for Physicians](#)**
- » [Information for Bidders](#)
- » [CAP Bidder - Background](#)
- » [Regulations and Notices](#)
- » [Approved CAP Vendor](#)

## Information for Physicians

### Ask The Contractor Call- 2007 additional physician election period

On May 2, 2007 CMS and the CAP designated carrier, Noridian Administrative Services (NAS) hosted a teleconference. The teleconference provided physicians and their staff with an opportunity to learn more about the CAP and how to elect to participate in the CAP during the additional 2007 physician election period. A power point slide set, transcript and audio recording of the teleconference are available in the Downloads Section below.

### CAP Physician Election Agreement Form: Tips and Workshops

The CAP designated carrier, NAS, has prepared some educational materials designed to assist with CAP physician election. A one page document containing tips for filling out the physician election agreement form is in the Downloads section below. NAS will also be conducting educational workshops on the election process on June 7 and June 11, 2007. Slides for the workshop are in the Downloads section below. You may sign up for the workshops through the Related Links Outside CMS Section below.

### 2007 CAP Physician Election – additional election period

The regular 2007 CAP physician election period concluded on December 1, 2006. An additional election period for physicians who are not currently participating in the CAP has been announced. The additional election period will begin on May 1, 2007 and end June 15, 2007. Effective dates for physicians who elect to participate during this period will be from August 1, 2007 through December 31, 2007.

Please note that this physician election period is only for new CAP elections. It is not necessary to renew



# Reference



- NAS Website
  - [https://www.noridianmedicare.com/cap\\_drug/](https://www.noridianmedicare.com/cap_drug/)
  - Example on next slide



## Overview

CAP allows physicians the option to acquire drugs from vendors who are selected in a competitive bidding process. Vendors are responsible for billing for drugs included in the CAP and collecting any deductible and coinsurance. The physician would no longer purchase the drug and seek payment from Medicare, but would only order and administer the drug.

## [NPI Information](#) - read more

On April 24, 2007, CMS announced the Medicare FFS NPI Contingency Plan. For more information visit the [CMS NPI website](#).

## News and Publications

- [What's New / Latest Updates](#)
- [Approved CAP Vendor E-mail List Sign-up](#)
- [Frequently Asked Questions](#)
- [CAP Vendor News](#)
- [Drugs Supplied Under CAP](#)

## Claims

- [Comprehensive Error Rate Testing](#)
- [Dispute Resolution](#)
- [Recoupment and Overpayments for Vendors](#)
- [Medicare Secondary Payer](#)
- [Fraud and Abuse](#)

## [System Status](#)

IVR: [Available](#)  
Contact center: [Available](#)  
EDI collection: [Available](#)

## Participation

- [Approved CAP Vendor](#)
- [Vendor Participation](#)
- [Physician Election](#)

## Forms

- [Commonly Used Forms](#)

## Contact

## [What's New](#) - read more

- [Additional Election Period for Competitive Acquisition Program \(CAP\) – May 1 – June 15, 2007](#)

# CAP Reminders



- Do not pay the “No Pay Line” HCPCS code (The approved CAP vendor receives reimbursement for that portion)
  - Message code that is crossed over on the HCPCS code/no pay line is CO B20
  - Process the administration/office visit portion as normal

