

CAP Vendor Bidding 2009-2011 – Addendum 2

Where to Send Applications

Completed vendor applications and the 855B form must be received no later than 5:00 PM EST on Friday, February 15, 2008 at CMS' Baltimore office. The full address is posted in the CMS CAP Information for Bidders 2009-2011 web page (http://www.cms.hhs.gov/CompetitiveAcquisforBios/03_infovendors.asp)

Clarification of Bidding Requirements

We have received requests for the clarification of very specific items including bidders' eligibility, business volumes, relationships with subcontractors, and technical problems with filling out CMS forms. As we stated during 2006 bidding, we invite all interested parties to submit applications. We do not plan to make exceptions or allowances for potential vendors that do not meet financial or quality criteria. However, we also appreciate that bidders' circumstances, structure, and experience may differ, particularly for bidding entities that are composed of several organizations. We recommend that bidders fully and completely explain how application standards have been met in the appropriate narrative sections of the application. The inclusion of additional supporting documents in order to explain how application standards have been met or to address technical difficulties encountered with forms is acceptable as long as the documents are clearly marked. Furthermore, we remind bidders to submit their applications by the February 15, 2008 deadline and to answer all questions completely.

Process for Updating Bids

Accepted CAP bids will be updated in accordance with our regulations at 42 CFR 414.906(c) “. . . a single payment amount for each CAP drug in the competitive acquisition area is determined on the basis of the bids submitted and accepted and updated from the bidding period to the payment year.”

Claims Payment Timing

As discussed in the November 21, 2005 Federal Register, page 70251 (70FR70251) Section 1842(c)(3)(A) of the Social Security Act requires that no payment on an electronic claim shall be issued in less than 13 days. Medicare adds one day for mailroom and check handling and refer to this 14-day period as the “payment floor.” Furthermore, please note that CAP drug claims paid after April 1, 2007 are subject to the provisions of Section 108 of the Medicare Improvements and Extension Act of 2006, which amended Section 1847b(a)(3) of the Social Security Act. These provisions and payment of the Medicare and Beneficiary cost sharing components of CAP claims under the methodology effective April 1, 2007 are described in the November 27, 2007 Federal Register on pages 66260-5 (70FR66260-5).

Information on CAP Physician Participation and Drug Claims

Additional information about CAP physicians and CAP drug claims was posted in the Downloads section of the CAP Information for Bidders 2009-2011 web page in January 2008. The files are under the link titled “Vendor Bidding 2009-2011 Addendum.”

Since the bidding materials were released, the 2008 CAP physician election numbers have increased to approximately 2800 physicians with January 1, 2008 effective dates. This compares favorably with the number of physicians who had elected to participate at this point in 2007. Please note that the updated 2008 figure still does not include physicians who have elected to participate during the additional election period that is currently under way.