

CMS Puts Drug Acquisition Program on Hold

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Medicare officials have pulled the plug at least temporarily on their Competitive Acquisition Program for Part B drugs.

The program was put on hold because of "contractual issues" with the successful vendor bidders for the 2009 cycle of the program. The Competitive Acquisition Program (CAP) will remain in effect until the end of this year, but after that, physicians who had participated in the program will have to go back to purchasing drugs using the average sales price (ASP) system. The Centers for Medicare and Medicaid Services has not announced a timeline for resuming the program.

The CAP was mandated by Congress under the 2003 Medicare Modernization Act. It was launched in July 2006 to give physicians an alternative to obtaining Part B infusion and injectable drugs through the ASP or "buy and bill" system.

The voluntary program took the purchase of these drugs out the hands of physicians. Physicians who enrolled no longer took on the financial risk of buying drugs up front and being reimbursed by CMS later. Instead, they received drugs from an approved vendor selected through a competitive bidding process. Under the program, physicians were paid only for the administration of the drug.

BioScrip Inc., a specialty pharmaceutical health care organization, is the only approved CAP vendor. The company announced over the summer that it would not sign a new contract because the terms presented an "unacceptable short- and long-term profit risk."

For 2008, nearly 5,000 physicians were enrolled in the CAP. The program included more than 200 drugs.

As currently designed, the CAP is "totally untenable," said Dr. Karen Kolba, a solo rheumatologist in Santa Maria, Calif. The delay in the program will give CMS some time to consider possible changes that could encourage more participation, she said.

Dr. Kolba, who has not signed up for the CAP, said the biggest problem with the program is the "all-or-nothing" requirement for ordering drugs. Once enrolled, physicians are not allowed to pick and choose what drugs they want to obtain through the CAP. If a drug they administer is available through the vendor, they must get it through the CAP. This is simply impractical for inexpensive, commonly used drugs such as cortisone injections, Dr. Kolba said, because CAP drugs must be ordered for specific patients and administered only to them. "It becomes something of an accounting nightmare," she said.

But Dr. R. Mack Harrell, an endocrinologist in Fort Lauderdale, Fla., said the postponement of the CAP is likely to result in serious access problems for patients. Many endocrinologists rely on the CAP to obtain expensive injectable drugs like thyrotropin alfa (Thyrogen), a drug that allows physicians to test for recurrence in thyroid cancer without having patients withdraw from their thyroid hormone treatments.

Between now and the end of the year,

physicians who are enrolled in the CAP must obtain drugs from BioScrip if the administration date for the drug is before Dec. 31, 2008.

If a physician has unused Part B drugs obtained through the CAP in the office after Dec. 31, 2008, those drugs are considered the property of the vendor and must be returned to BioScrip.

As physicians return to the ASP method of procuring drugs in 2009, they should keep in mind that they will once again be

responsible for collecting deductibles and coinsurance from Medicare beneficiaries and that they should not use the CAP modifiers (J1, J2, J3, M2) when submitting claims.

CMS is also advising physicians to contact BioScrip as soon as possible to minimize the amount of unused drugs and facilitate uninterrupted access to Part B drugs.

While the program is on hold, CMS will be asking physicians to provide feedback on the program. Specifically, agency offi-

cials are looking for information on the categories of drugs provided through the program, the distribution of areas that are served by the CAP, and any procedural changes that could make the program more flexible and more attractive for vendors and physicians. ■

More information on the postponement of the Competitive Acquisition Program is available at www.cms.hhs.gov/CompetitiveAcquisforBios.

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References: 1. Gross L. Metaxalone: a review of clinical experience. *J Neurol Orthop Med Surg*. 1998;18(1):76-79. 2. Dent RW Jr, Ervin DK. A study of metaxalone (Skelaxin) vs. placebo in acute musculoskeletal disorders: a cooperative study. *Curr Ther Res Clin Exp*. 1975;18(3):433-440.