

Explanation for Non-substantive Change to Currently Approved
Collection: "Medicare Part B Drug and Biological Competitive
Acquisition Program Applications"

The Competitive Acquisition Program (CAP) for Medicare Part B drugs and biologicals not paid on a cost or prospective payment system basis was implemented as a result of section 303 (d) of the Medicare Modernization Act (MMA). The CAP is an alternative to the ASP (buy and bill) methodology for acquiring certain Part B drugs which are administered incident to a physician's services.

Section 303(d)(1)(b)(1) of the MMA also stipulates that "the Secretary shall conduct a competition among entities for the acquisition of competitively biddable drugs and biologicals." In general, such entities are tasked with supplying medications available through CAP to physicians who participate in the program. Currently, the CAP is operating with one Approved CAP Vendor whose contract expires on December 31, 2008.

In accordance with section 303(d)(1)(b)(1) of the MMA, CMS is currently preparing to conduct a second round of bidding to award Approved CAP Vendor contracts for 2009-2012. Accordingly, the attached document, the "Vendor Application and Bid Form," is being updated to reflect this. A citation on the "Vendor Application and Bid Form" has been updated from '414.914(h)' to '414.914(i)' since section 414.914(h) was re-designated as section 414.914(i) in the 2008 Physician Fee Schedule final rule published in the Federal Register on November 27th, 2007. Moreover, dates on this form will be updated for 2009. Finally, a website link has been corrected. These changes are editorial and nonsubstantive.