

Program Memorandum Intermediaries/Carriers

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal AB-01-16

Date: JANUARY 29, 2001

CHANGE REQUEST 1514

SUBJECT: Implementation of Benefits Improvement and Protection Act of 2000 (BIPA) Requirements for Drugs and Biologicals Covered by Medicare

Mandatory Assignment

Under §114 of BIPA, payment for any drug or biological covered under Part B of Medicare may be made only on an assignment-related basis. Therefore, no charge or bill may be rendered to anyone for these drugs and biologicals for any amount except for any applicable unmet Medicare Part B deductible and coinsurance amounts.

In your next bulletin, inform physicians, non-physician practitioners, and suppliers of this provision of the law, and advise them that they must take assignment on claims for drugs and biologicals furnished on or after February 1, 2001. Place this information on websites.

Further implementing instructions will follow at a later date.

Moratorium on Decreases in Payment Rates

Section 429 (c) of BIPA states:

Notwithstanding any other provision of law, effective for drugs and biologicals furnished on or after January 1, 2001, the Secretary may not directly or indirectly decrease the rates of reimbursement (in effect as of such date) for drugs and biologicals under the current Medicare payment methodology (provided under §1842(o) of the Social Security Act (42 U.S.C. 1395u(o))) until such time as the Secretary has reviewed the report submitted under subsection (a)(2).

Further implementing instructions will follow at a later date.

The *effective date* for this Program Memorandum (PM) is for items furnished on or after January 1, 2001.

The *implementation date* for this PM is April 1, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after June 30, 2002.

If you have any questions, contact Robert Niemann at (410) 786-4531.