

STATE OF VERMONT
AGENCY OF HUMAN SERVICES

DCF

Department for Children and Families

BULLETIN NO.: 06-18F

FROM: Joseph Patrissi, Deputy Commissioner
Economic Services Division

DATE: May 17, 2007

SUBJECT: Changes to Pharmaceutical Programs Premiums

CHANGES ADOPTED EFFECTIVE: 7/01/06

INSTRUCTIONS

- Maintain Manual - See instructions below.
- Proposed Regulation - Retain bulletin and attachments until you receive Manual Maintenance Bulletin:
- Information or Instructions - Retain until _____

SECTION REFERENCE(S):

- 3203
- 3303.1
- 3505

This bulletin increases pharmaceutical program premiums, as authorized by the Budget Act of 2006 (an act making appropriations for the support of government).

A public hearing was scheduled for April 17, 2006 at 1:00 p.m. in the Agency of Human Services' Blue Room, State Office Complex, Waterbury, Vermont. No one attended.

No written comments were submitted by 4:30 p.m. on April 24, 2006, to Theo Kennedy, Esq., Planning, Policy and Regulation Unit, DCF; 103 South Main Street, Waterbury, VT 05671-1201.

To get more information about the Administrative Procedures Act and the rules applicable to state rulemaking go to the website of the Office of the Vermont Secretary of State at: <http://vermont-archives.org/apa/rules.html> or call Louise Corliss at 828-2863.

For information on upcoming hearings before the Legislative Committee on Administrative Rules go to the website of the Vermont Legislature at: <http://www.leg.state.vt.us/schedule/schedule2.cfm> or call 828-5760.

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Vertical lines in the left margin indicate significant changes. Dotted lines at the left indicate changes to clarify, rearrange, correct references, etc., without changing content.

Manual Maintenance

VScript Rules

Remove

Insert

3203

(05-09)

3203

(06-18)

VHAP-Pharmacy Rules

3303.1 P.2

(05-09)

3303.1 P.2

(06-18)

VPharm Rules

3505

(05-24)

(06-18)

7/1/06

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3203

3203 Cost Sharing Requirements

All VScript beneficiaries must pay monthly premiums as specified in M150 through M150.2 to be enrolled in a VScript coverage group.

The following premium amounts apply to VScript.

<u>VScript Group Income</u>	<u>Coverage Group</u>	<u>Monthly Program Fee, Per Individual</u>
> 150% ≤ 175% FPL	VScript	\$20
> 175% ≤ 225% FPL	VScript Expanded	\$42

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3303.1 P.2

3303 Payment Conditions3303.1 Cost Sharing

The department requires all beneficiaries to pay a monthly premium of \$15 to enroll in the VHAP-Pharmacy program. The premium payment system applicable to VHAP-Pharmacy is described in M150 through M150.2.

3303.2 Lower of Price for Ingredients Plus Dispensing Fee or Charge

Payment for prescribed drugs, whether legend or over-the-counter items, will be made at the lower of the price for ingredients (see 3303.3) plus the dispensing fee on file or the provider's actual amount charged, which shall be the usual and customary charge to the general public.

3303.3 Price for Ingredients

Payment for the ingredients in covered prescriptions is made for two groups of drugs; multiple-source (i.e., therapeutically equivalent or generic drugs) and "other" drugs (i.e., brand name or drugs "other" than multiple-source).

- a. For multiple-source drugs, the price for ingredients will be the lowest of:
 1. an amount established as the upper limit derived from a listing issued by CMS, formerly the Health Care Financing Administration, under the authority of Sec. 902(a)(30)(A) of the Social Security Act, or
 2. an amount established as the upper limit by the Office of Vermont Health Access, or
 3. the Average Wholesale Price (AWP).
- b. For "other" drugs, the price for ingredients will be 88.1 percent of the Average Wholesale Price (AWP less 11.9 percent).

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3505

3505 Payment System

VPharm follows the prospective premium-based payment system described at rule M150.

3505.1 Cost-Sharing

An individual shall contribute the following base cost-sharing amounts, which shall be indexed to the increases established under 42 C.F.R. § 423.104(d)(5)(iv) and then rounded to the nearest dollar amount:

- (1) \$15.00 per month or \$180.00 per year in the case of beneficiaries whose household income is no greater than 150 percent of the federal poverty level;
- (2) \$20.00 per month or \$240.00 per year in the case of beneficiaries whose household income is greater than 150 percent of the federal poverty level and no greater than 175 percent of the federal poverty level;
- (3) \$42.00 per month or \$504.00 per year in the case of beneficiaries whose household income is greater than 175 percent of the federal poverty level and no greater than 225 percent of the federal poverty level.

3505.2 Medicare Advocacy Program

In order to ensure the appropriate payment of claims, OVHA may expand the Medicare advocacy program established under chapter 67 of Title 33 of the V.S.A. to individuals receiving benefits from the VPharm program.

3505.3 Lower of Price for Ingredients Plus Dispensing Fee or Charge

Payment for prescribed drugs, whether legend or over-the-counter items, will be made at the lower of the price for ingredients (see 3303.3) plus the dispensing fee on file or the provider's actual amount charged, which shall be the usual and customary charge to the general public.