

STATE OF VERMONT  
AGENCY OF HUMAN SERVICES

# DCF

## Department for Children and Families

**BULLETIN NO.:** 16-10FP

**FROM:** Sean Brown, Deputy Commissioner  
Economic Services Division

**DATE:** August 3, 2016

**SUBJECT:** VPharm Program Rules

**CHANGES ADOPTED EFFECTIVE** 9/1/16

### INSTRUCTIONS

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

### MANUAL REFERENCES:

5420            5430

The Agency of Human Services (AHS) filed final proposed VPharm Rules 5420 and 5430 with the Office of the Secretary of State (SOS) and the Legislative Committee on Administrative Rules (LCAR) on July 26, 2016. The rules are expected to be heard by LCAR on August 11, 2016 at 10 a.m. If adopted, these rules will become effect on September 1, 2016.

VPharm assists eligible persons pay for prescription medicines. The final proposed rule, if adopted, will permit AHS to conduct rolling reviews in accordance with 33 V.S.A. 2077(a) instead of reviewing all beneficiaries in June of each year as the rule currently provides. The change will also align the VPharm rule with 33 V.S.A. 2072(c) that requires that AHS terminate VPharm assistance when a person becomes ineligible due to income or household size.

### **View Final Proposed VPharm Rules 5420 and 5430**

The rules can be viewed electronically at:

<http://dcf.vermont.gov/esd/laws-rules/proposed-adopted>

### **Administrative Procedures Process**

- AHS pre-filed the proposed rule with the Interagency Committee on Administrative Rules (ICAR) on February 26, 2016. ICAR approved the proposed rule for filing with the SOS on March 14, 2016.
- AHS filed the proposed rule with the SOS and LCAR on March 22, 2016.
- The SOS published the notice of rulemaking on its website on March 30, 2016 and published its announcement in newspapers of record on April, 7, 2016.
- A public hearing was held on April 29, 2016 at 10:00 a.m., at 289 Hurricane Lane, Williston, Vermont. There were no public attendees and no comments were made at the hearing.
- The comment period on the proposed rule closed on May 6, 2017. AHS received public comments from the State Health Assistance Program (SHIP) and from the Office of the Health Care Advocate (HCA).
- AHS filed the final proposed rule with the SOS and LCAR on July 26, 2016.
- AHS is scheduled to present the rule to LCAR on August 11, 2016 at 10:00 a.m.

### **Attachment to Bulletin**

The attachment to this Bulletin is the responsiveness summary which is AHS's responses to public comments that were made on the proposed rule.

### **Information about the Rulemaking Process**

To get more information about the rulemaking process, see the website of the SOS at <https://www.sec.state.vt.us/> or call that office at 802-828-2863. For information about LCAR, see <http://legislature.vermont.gov/committee/detail/2016/39> or call that office at (802) 828-5952.

## Responsiveness Summary - VPharm Proposed Final Rule

**Comment:** *We are concerned with how the Department will implement the B16-10P proposal which changes the annual eligibility review for VPharm from June 30 for all beneficiaries to a rolling annual review. What is the Department's plan to initially implement this change so that reviews become staggered? Will the Department be able to process all the changes timely—those related to the elimination of the "hold harmless" provision and the eligibility reviews?*

**Response:** The Department of Vermont Health Access (hereinafter "the Department") has modified its technology systems used to manage eligibility for the VPharm program in order to support the staggering of VPharm eligibility reviews (renewals) so that reviews will occur on a monthly basis over the course of a twelve-month period. The first year of rolling reviews will begin in September 2016 and end in August 2017. The change to rolling reviews and the elimination of "hold harmless" (that is, the Department will start processing reported changes of income on a monthly basis) will make the VPharm program easier to manage because it will be more in-line with the review cycles and reporting requirements of other benefit programs.

The Department has a new business process to support the operationalization of the changes that are required by these rule changes. The process includes reviewing and finalizing beneficiary notices, finalizing reporting, creating job aids, and training staff. The Department is training staff on the timely processing of VPharm reviews and changes that are reported between reviews.

On about August 5, 2016 the Department will send the first notices for review and a review application to a subset of beneficiaries, those assigned a September review date. The notice will advise the beneficiary of the due date of the review application. If a beneficiary with a September review date reviews timely and is determined still eligible, the beneficiary will be approved for ongoing eligibility for VPharm for a twelve-month period from October 1, 2016 to September 30, 2017.

This process will be the same every month for the subset of VPharm beneficiaries that are assigned for review for that particular month. At the end of twelve months, all VPharm beneficiaries will have been reviewed under the rolling review process.

**Comment:** *Open enrollment for Medicare Part D runs annually from October 15-December 7. VPharm eligibility directly impacts the beneficiary's selection of a Medicare Part D plan as well as their out of pocket prescription costs. It will be very confusing and difficult for beneficiaries to determine if they are in the best Part D plan if they are unsure of their ongoing eligibility for VPharm. The first year of this change will be especially difficult. SHIP counselors are one of the very few places a beneficiary can get help understanding how federal and state benefits work together for their specific prescription needs. Open enrollment is a very busy time for SHIP. There*

*is great potential for SHIP to have difficulty handling an increased volume of requests for service during Medicare Open Enrollment due to the change in VPharm reviews.*

**Response:** The Department closely collaborates with the State Health Insurance Assistance Program (SHIP) during the Medicare open enrollment period and welcomes suggestions from it and other stakeholders, including the Office of the Health Care Advocate (HCA), to improve our service to VPharm beneficiaries. Changing the VPharm review cycle to a staggered, monthly review process will more evenly distribute the VPharm workload to Department staff and, similarly, it may more evenly distribute assistance sought by beneficiaries from SHIP and HCA throughout the year. The Department will ensure that the Health Access Member Services is adequately trained and appropriately staffed to handle calls from beneficiaries regarding VPharm eligibility and benefits.

**Comments:**

*Comment from SHIP: We request: VPharm reviews be done January through September only so that Medicare beneficiaries know the status of their VPharm eligibility during Part D open enrollment.*

*Comment from HCA: We are concerned with how the Department will be able to implement the proposed change from the annual eligibility review to a rolling annual review. We request that the proposed rolling VPharm reviews be completed from January through September. This will allow VPharm beneficiaries to know the status of their VPharm eligibility during Part D open enrollment.*

*The HCA already gets many calls from consumers who are confused about selecting a Part D plan. We routinely refer consumers to SHIP counselors to get advice on selecting a Part D plan. Eligibility for VPharm directly impacts plan selection and out of pocket costs. Therefore, it is essential that consumers know their ongoing VPharm eligibility when they select a Part D plan.*

**Response:** The Department is not able to support this request; it will conduct VPharm reviews during every calendar month, a practice that is consistent with its administration of other health benefit programs.

The VPharm program is a State Pharmaceutical Assistance Program (SPAP). Beneficiaries who have SPAP coverage qualify for a special enrollment period for Medicare Part D which allows VPharm beneficiaries to change Medicare Part D plans once a year outside of open enrollment. There are many factors determining ongoing eligibility for the VPharm program and, accordingly, there is never a guarantee during the months of Medicare Part D open enrollment of ongoing VPharm eligibility. However, because these beneficiaries may qualify once a year for a special enrollment period for Medicare Part D, rolling reviews that occur during Medicare Part D open

enrollment should not prevent or hinder a beneficiary from obtaining appropriate Medicare Part D or VPharm benefits.

**Comment:** *We request: The Department include our statewide Senior HelpLine number in mailings to beneficiaries so they know to call SHIP for assistance.*

**Response:** The notice that the Department mailed to all VPharm beneficiaries in June 2016 to inform them about the change to rolling reviews included information about getting assistance from the Senior HelpLine. There will be a second mass mailing notice sent prior to September 1 to inform beneficiaries about the elimination of the “hold harmless” provision. The Department will include a referral to the Senior HelpLine on this mass notice too. Please notify the Department if SHIP wants information about calling the Senior HelpLine included on any other notices, and if so, which specific notices.

**Comment:** *We request: The opportunity to comment on draft notices and mailings to VPharm beneficiaries and being informed of when mailings and notices are mailed out.*

**Response:** The Department included Donna Sutton Fay at SHIP and Vermont Legal Aid in the review of the notice that was sent in its mass mailing in June to inform beneficiaries of the upcoming changes to VPharm renewals, and will do the same for the upcoming mass notice about the elimination of hold harmless. The Department will add Donna Sutton Fay at SHIP and Marjorie Stinchcombe of HCA to the list of external stakeholders who review new and revised VPharm notices.

**Comment:** *We request: That notices are mailed well in advance of any deadlines so that there is adequate time for beneficiaries to seek SHIP or other appropriate assistance. The Department should consider implementing a grace period in the initial year of this change so beneficiaries can transition more easily to the new eligibility review system.*

**Response:** Consistent with standard procedure in health programs, the Department will mail review notices with review applications to beneficiaries six weeks in advance of the review date. The Department will continue to provide timely notices of decision including, when the Department plans to terminate eligibility, at least 11-days prior to the VPharm closure. Beneficiaries who appeal during this 11-day period have the right to keep VPharm pending the outcome of the appeal.

The Department is considering processes that will assist beneficiaries in transitioning more easily to the new rolling review process during the first year of implementation.