

STATE OF VERMONT
AGENCY OF HUMAN SERVICES

DCF

Department for Children and Families

BULLETIN NO.: 08-22F

FROM: Joseph Patrissi, Deputy Commissioner
Economic Services Division

DATE: June 18, 2008

SUBJECT: Earned Income Disregard: Catamount Health Assistance Program, Catamount Employer-Sponsored Assistance Program; Premium Changes: Dr. Dynasaur, Catamount Health Assistance Program, Employer-Sponsored Assistance Program, Pharmacy Programs

CHANGES ADOPTED EFFECTIVE: July 3, 2008

INSTRUCTIONS:

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

MANUAL REFERENCE(S):

M302.26	3303.1	4102.4	4107.1
3203	3505	4106	

This bulletin proposes changes to the health-care programs referred to above to implement the legislative directives in H. 891—the fiscal-year 2009 budget act. The bulletin is filed in accordance with the expedited rulemaking process authorized in that bill. The proposed changes are summarized below.

Summary of Rule Changes

Section Description of change

M302.26	Dr. Dynasaur premium increase for households without other insurance and with incomes above 225 percent but no more than 300 percent of the FPL.
3203	VScript premium increases.
3303.1	VHAP-Pharmacy premium increases.
3505	VPharm premium increases.
4102.4	Earned-income disregard for Catamount-ESIA and CHAP eligibility.
4106	Catamount-ESIA premium increases.
4107.1	CHAP premium increases.

The department published notice of expedited rulemaking on May 15, 2008. Written comments were accepted until 4:30 p.m., on May 22, 2008. The final proposed rule was filed with the Legislative Committee on Administrative Rules (LCAR) on June 5, 2008. The final proposed rule was filed with the Secretary of State on June 10, 2008. LCAR approved the rule on June 18, 2008. The department filed the final rule on June 18, 2008. The effective date of the rule is July 3, 2008.

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/aparules/> or call Louise Corliss at 828-2863.

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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 Holders: Please maintain manuals assigned to you as follows:

MANUAL MAINTENANCE

	<u>Remove</u>	<u>Medicaid Rules</u>		<u>Insert</u>
M302.26	(07-24)		M302.26	(08-22)
		<u>VScript Rules</u>		
3203	(06-18)		3203	(08-22)
		<u>VHAP-Pharmacy Rules</u>		
3303.1 P.2	(06-18)		3303.1 P.2	(08-22)
		<u>VPharm Rules</u>		
3505	(06-18)		3505	(08-22)
		<u>Premium-Assistance Program Rules</u>		
4102.4 P.2	(07-24)		4102.4 P.2	(08-22)
4106	(07-24)		4106	(08-22)
4107	(07-24)		4107	(08-22)

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M302.26

M302.26 Children Under 18 (Dr. Dynasaur)

Children under age 18 who would be eligible for ANFC-related Medicaid except that their income or resources exceed the maximums are categorically eligible for Dr. Dynasaur as long as their household income does not exceed 300 percent of the federal poverty level (FPL). There is no resource test under this provision.

Premiums as specified in M150-M150.2 are required for the following households within this coverage group:

% FPL	Monthly Dr. Dynasaur Premium, Per Household	
	Family With Other Insurance*	Family Without Other Insurance
≤ 185%	\$ 0.00	\$ 0.00
> 185% but ≤ 225%	\$ 15.00	\$15.00
> 225% but ≤ 300%	\$ 20.00	\$60.00

* Other insurance must include hospital and physician coverage.

When a single household includes more than one individual eligible for Dr. Dynasaur coverage, the household must pay the highest applicable Dr. Dynasaur premium.

Children who are members of federally designated American Indian or Alaskan Native tribes, as designated by the federal Bureau of Indian Affairs do not have to pay a premium if their household income is more than 225% but less than or equal to 300% FPL and they have no other insurance. Abenaki is not a federally designated tribe. If other children in the household are beneficiaries but not members of a federally-designated tribe, then the household is still responsible for the premium.

Children qualifying for Medicaid under Dr. Dynasaur and the Disabled Child in Home Care (DCHC/Katie Beckett) coverage group (see M200.23(d)) may select which of the two sets of rules that they wish to have determine their eligibility. An applicant applying under the DCHC coverage group who is eligible under Dr. Dynasaur shall receive Dr. Dynasaur coverage while the application is pending.

To assist applicants in making a decision between the two coverage groups, the department will provide the applicant with the requirements specific to the two groups, including the service delivery systems used, the process for determining eligibility, the time for processing applications, and the cost-sharing requirements of beneficiaries in each group.

DCF updates its income maximums based on the FPL annually on January 1 using a methodology similar to the one employed by the federal government in setting the FPLs. In years when the actual FPL exceeds DCF's income maximum, DCF will issue a second increase on April 1.

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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.

(i) <u>VScript Group Income</u>	(ii) <u>Coverage Group</u>	<u>Monthly Premium, Per Individual</u>
> 150% ≤ 175% FPL	VScript	\$23.00
> 175% ≤ 225% FPL	VScript Expanded	\$50.00

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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 \$17.00 per person 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:

% FPL	Monthly Premium, per Individual
≤ 150%	\$ 17.00
> 150% but ≤ 175%	\$ 23.00
> 175% but ≤ 225%	\$ 50.00

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.

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4102.4 P.2

4102.4 CHAP (Continued)

- (e) Meets the other eligibility requirements in Medicaid Rules M100-M199; and
- (f) Does not have access to an approved, cost-effective, ESI plan.

4102.5 Prior Enrollment in a Health-Care Program

- (a) An individual is ineligible for premium assistance for the twelve-month period following loss of private insurance or ESI without premium assistance unless coverage ends for a reason set forth in 4101(1)(1) or (2).
- (b) No waiting period is imposed because of the loss of:
 - (1) Medicaid;
 - (2) VHAP;
 - (3) Dr. Dynasaur;
 - (4) VHAP-ESIA;
 - (5) Catamount-ESIA;
 - (6) CH with or without premium assistance, or
 - (7) Any other health-benefit plan authorized under Title XIX or Title XX of the Social Security Act.

4102.6 Medicare

An individual who qualifies for Medicare, regardless of actual enrollment, shall not be eligible for premium assistance.

4102.7 Income Determinations

- (a) Except as provided in paragraph (b) below, a household's income shall be calculated in accordance with VHAP rule 4001.8.
- (b) For Catamount-ESIA and CHAP eligibility only, if the household's countable income (as determined in accordance with the preceding paragraph) is greater than 200 percent FPL but less than or equal to 300 percent FPL, the department will disregard additional earned income in an amount up to \$400.00 per household. The program premium shall be based on income counted in accordance with this paragraph. This rule shall only apply prospectively.

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4106

4106 Catamount-ESIA Benefits4106.1 Premium Balances and Premium-Assistance Amounts

(a) The individual's premium balance shall be:

% FPL	Monthly Catamount-ESIA Premium Balance	
	Single	Two-Person
≤ 175%	\$ 60.00	\$120.00
> 175% but ≤ 200%	\$ 65.00	\$130.00
> 200% but ≤ 225%	\$110.00	\$220.00
> 225% but ≤ 250%	\$135.00	\$270.00
> 250% but ≤ 275%	\$160.00	\$320.00
> 275% but ≤ 300%	\$185.00	\$370.00

- (b) The Catamount-ESIA premium-assistance amount is the difference between the employee's share of the premium and the premium balance. Thus, for example, if the employee's share of the premium is \$130.00 per month and the household's income is at 195 percent of the FPL, the monthly ESIA premium-assistance would be \$130.00 minus \$65.00 or \$65.00.
- (c) If the employer offers more than one approved ESI plan, the individual may enroll in the plan of choice, provided that ESI enrollment remains cost-effective. The premium assistance will be calculated as provided in paragraph (a), regardless of any differences in plan costs.
- (d) At the beginning of the month that the employee's premium share is due, the household shall receive the premium-assistance benefit. Monthly payments may either be made by mailing a check or electronically transferring payment to the designated bank. If the household has a bank or credit-union account, direct deposit to the account is the required payment method.
- (e) In cases where the employee's share of the premium is paid before the commencement of subsidy payments (*e.g.*, when plan enrollment occurs on a day other than the first of the month), the department shall reimburse the household for the prorated premium-assistance amount due for the period in issue.

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4107

4107 CHAP Benefits4107.1 Premium Balances and Premium-Assistance Amounts

- (a) The individual's premium balance for the lowest-cost CH plan shall be:

% FPL	Monthly CHAP Premium Balance	
	Single	Two-Person
≤ 175%	\$ 60.00	\$120.00
> 175% but ≤ 200%	\$ 65.00	\$130.00
> 200% but ≤ 225%	\$110.00	\$220.00
> 225% but ≤ 250%	\$135.00	\$270.00
> 250% but ≤ 275%	\$160.00	\$320.00
> 275% but ≤ 300%	\$185.00	\$370.00

- (b) The premium-assistance amount for the lowest-cost CH plan is the difference between the full CH premium and the CHAP premium balance. For example, if the lowest-cost CH premium is \$350 per month and the household's income is at 230 percent of the FPL, the individual's premium balance would be \$135 and the monthly CHAP premium assistance would be \$350 minus \$135 or \$215.
- (c) For CH plans other than the lowest cost plan, the individual's premium balance shall be the sum of the premium balance as set out in paragraph (a) and the difference between the premium for the lowest cost plan and the premium for the plan in which the individual is enrolled. Thus, if in the example above, the individual chooses a CH plan with a monthly premium of \$400, the individual's premium assistance remains \$215. The premium balance would be: \$135 plus \$50 (\$400 minus \$350), or \$185.
- (d) CHAP program participants pay their premium balances to the department, as provided in section 4108 below. The department is responsible for transmitting the full CH premium amount (the premium balance plus the CHAP premium assistance) directly to the CH carrier.