

ITEM 12. PRESCRIBED DRUGS, DENTURES, AND PROSTHETIC DEVICES;
 EYEGASSES PRESCRIBED BY A PHYSICIAN SKILLED IN DISEASES OF
 THE EYE OR BY AN OPTOMETRIST

A. Prescribed Drugs

1. Drugs listed by the FDA as less than effective are not covered by Medicaid, nor are the generic equivalents of the listed drugs covered.
2. Physicians and Pharmacists are required to conform to Act 127 (18 VSA Chapter 91), otherwise known as the Vermont Generic Drug Law. In those cases where the Generic Drug Law permits substitution, only the lowest priced equivalent in stock at the pharmacy shall be considered medically necessary. Medicaid will not pay if the recipient refuses the substitution required by law.
3. A pharmacist must fill prescriptions in quantities of between 30 and 90 days supply for all drugs prescribed for continued regular use. The physician may prescribe for particular patients or conditions in lesser amounts and in these instances the pharmacist is required to fill as directed. Effective July 15, 2009, when OVHA is the primary payer, pharmacies will be required to dispense designated classes of maintenance drugs in 90-day supplies after the first fill. The first fill allows prescribers to test for therapeutic effectiveness and patient tolerance.
4. Multivitamins are covered only for pregnant or lactating women; and for other particular conditions by prior authorization.
5. Coverage for certain other drugs is limited to specific conditions, e.g. amphetamines for the treatment of narcolepsy cataplexy syndrome only.
6. Over-the-counter drugs are covered when prescribed by a qualified Medicaid provider, and provided a rebate agreement with the manufacturer is in force.
7. Contraceptive drugs, supplies and birth control devices are covered and claimed at the increased Federal match under Family Planning.
8. No coverage is provided for items such as:
 - Dentifrices and dental adhesives
 - Baby oils, soaps and shampoos - non-medicated (medicated products may be covered when prescribed by a physician)
 - Food products and food supplements; (payment may be made for food supplements (e.g., sustacal in cases where a person's nutritional needs can only be met by a liquid high protein diet.)
 - Baby formula; e. g. , Enfamil, Prosobee, similac (with or without iron) , etc. Sugar substitutes; e. g., Saccharin, Sweets, etc.
 - Antiseptics; e. g., merthiolate Tincture of Iodine, etc.

ITEM 12. PRESCRIBED DRUGS, DENTURES, AND PROSTHETIC DEVICES;
EYEGASSES PRESCRIBED BY A PHYSICIAN SKILLED IN DISEASES OF
THE EYE OR BY AN OPTOMETRIST (Continued)

A. Prescribed Drugs (Continued)

10. Supplemental Rebate Agreements: Certain covered products in accordance with Section 1927 of the Social Security Act may not be among the baseline preferred drugs identified by the State of Vermont's Drug Utilization Review (DUR) Board and/or the Pharmacy and Therapeutics (P & T) Committee for various therapeutic classes. The state may negotiate supplemental rebate agreements that would reclassify any drug not designated as preferred in the baseline listing for as long as the agreement is in effect.

In addition the State has the following policies for the supplemental rebate program for the Medicaid population:

- Supplemental rebate agreements are unique to each state. The supplemental rebate agreement submitted to CMS on June 6, 2009 amends the March 31, 2006 version of the "Vermont State Supplemental Drug Rebate Agreement" authorized under Transmittal 06-05. CMS has authorized this amended version of the "Vermont State Supplemental Drug Rebate Agreement." The addendum to this agreement, approved by CMS, entitled "Sovereign States Drug Consortium, Addendum to Member States Agreements" is not changed by this amendment. The June 6, 2009 supplemental rebate agreement and the approved SSDC Addendum apply to drugs dispensed beginning January 1, 2009.
- Funds received from supplemental rebate agreements will be reported to CMS. The state will remit the federal portion of any supplemental rebates collected.
- Manufacturers with supplemental rebate agreements are allowed to audit utilization data.
- The unit rebate amount is confidential and cannot be disclosed in accordance with Section 1927(b)(3)(D) of the Social Security Act.
- The Office of Vermont Health Access may require prior authorization for covered outpatient drugs. Non-preferred drugs are available with prior authorization.
- The prior authorization process for covered outpatient drugs will conform to the provisions of section 1927(d)(5) of the Social Security Act.

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