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5450 Coverage

Beneficiaries who are entitled to Medicare benefits under Part A or enrolled in Medicare Part B, and who live in the service area of a Part D plan, are defined under Medicare rules at 42 CFR §423.30 as eligible for Part D. Vermont is included in the service area for several Part D plans. According to 42 CFR §423.906, Medicare is the primary payer for covered drugs for Part D eligible individuals. VPharm does not cover drugs in classes included in the Part D benefit. VPharm provides secondary pharmacy coverage -as described below for those eligible for Medicare and VPharm.

Part D is administered either through a prescription drug plan (PDP) or as a component of Part C, Medicare managed care, in a Medicare Advantage – Prescription Drug benefit (MA-PD).

VPharm will provide supplemental coverage for the following categories of drugs if they are not covered by the PDP/MA-PD: Coverage of these drugs is subject to the requirements of the Preferred Drug List (PDL):

- A. drugs for anorexia, weight loss, or weight gain (7502.3);
- B. ~~prescription~~ vitamins or minerals if the conditions described in 7502.4 are met;
- C. over-the-counter prescriptions if the conditions described in 7502.5 are met;
- D. barbiturates; and
- E. benzodiazepines.

Coverage~~Payment~~ for the ~~covered~~ pharmaceuticals described above shall be based upon current Medicaid payment and dispensing policies.

For those beneficiaries whose household income is not greater than 150 percent of the federal poverty level (FPL), the drugs in the above categories are covered as they are covered under Medicaid. In addition, benefits are provided for one comprehensive visual analysis (including a refraction) and one interim eye exam (including a refraction) within a two-year period, and diagnostic visits and tests related to vision.

For those beneficiaries whose household income is greater than 150 percent FPL and no greater than 225 percent FPL, VPharm covers the drugs in the above categories only if they are maintenance drugs. "Maintenance drug" means a drug approved by the FDA for continuous use and prescribed to treat a chronic condition for a prolonged period of time of 30 days or longer and includes insulin, an insulin syringe and an insulin needle. It may not be dispensed unless prescribed by a licensed physician.

In addition, VPharm covers beneficiary cost-sharing after any federal limited-income subsidy (LIS) is applied. This may include basic beneficiary premiums for the PDP up to the low-income premium subsidy amount (as determined by the Centers for Medicare and Medicaid Services), Part D deductible, co-payments, coinsurance, the Part D coverage gap, and catastrophic co-payments according to Medicare Part D rules. Beneficiaries have co-payments as described in 3505.1.

For those beneficiaries whose household income is greater than 175 percent but no greater than 225 percent of the poverty level, cost-sharing coverage is limited to maintenance drugs. On a case-by-case basis, DVHA may pay or subsidize a higher premium for a Medicare Part D prescription drug plan offering expanded benefits if it is cost-effective to do so.

In the case of the statin lipotropic and proton pump inhibitor drug classes, VPharm requires the use of a select ~~OTC and/or a~~ generic drugs in order to receive coverage of the Medicare Part D cost-sharing, or of the prescription when the drug would be paid for entirely by VPharm, except that:

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- A. a beneficiary who is taking a brand name drug on June 30, 2009, under a prior authorization through a Medicare Part D plan, may continue to receive coverage under VPharm for that drug; and
- B. a prescriber may override the substitution of ~~an OTC or a~~ generic drug by requesting an exception override from DVHA. The override will be based on the same criteria provided for in section 4606 of Title 18 (generic substitutions). The prescriber must provide a detailed explanation regarding:
- (1) the OTC or generic drug or drugs that have been previously tried by the beneficiary and:
 - were ineffective; or
 - resulted in the adverse or harmful side effects to the beneficiary; or
 - (2) the reasons why the provider expects that the ~~OTC or~~ generic drug(s) may be ineffective or result in adverse or harmful side effects to the beneficiary if they have not previously tried the drug(s).

The drug utilization review (DUR) board shall determine the list of ~~OTC and~~ generic drugs that shall be available for coverage in each class and shall ensure that the list of generic drugs includes drugs available on the formularies of 90 percent of the Medicare Part D prescription drug plans available in Vermont. In designing the list, the DUR board shall maximize access to a variety of ~~OTC and~~ generic drugs for beneficiaries.

When a beneficiary appeals a denial of coverage of a drug under a Part D or Part C plan, and has exhausted the plan's appeal process through the Independent Review Entity (IRE) decision level, or the plan's transition processes as approved by the Centers for Medicare and Medicaid Services (CMS), the beneficiary may apply to the Department of Vermont Health Access (DVHA) for coverage of the drug if it would have been included in the corresponding Vermont pharmacy benefit (Medicaid or maintenance level of coverage) if the beneficiary were not covered by Part D. If the beneficiary's prescriber documents medical necessity in a manner established by the director of the DVHA, and the process for documentation conforms with the pharmacy best practice and cost control program established under subchapter 5 of chapter 19 of Title 33, the drug shall be covered.

At the beginning of coverage under Medicare Part D, when a beneficiary has applied for and has attempted to enroll in a Part D plan and has not yet received coverage due to an operational problem with Medicare, or has otherwise not received coverage for the needed pharmaceutical, the necessary drugs will be covered, if DVHA finds that good cause and a hardship exist, until such time as the operational problem, good cause and hardship ends. The beneficiary must have made every reasonable effort with CMS and the PDP, given the beneficiary's circumstances, to obtain coverage. The intent of the good cause and hardship exception is remedial in nature and shall be interpreted accordingly. In general "good cause" shall include instances where the lack of coverage can not reasonably be considered the fault of the beneficiary, and "hardship" shall include circumstances where alternative means for the coverage at issue are not reasonably available or will likely result in irreparable loss or serious harm to the beneficiary. DVHA will make determinations of whether or not operational problems, good cause, or hardship exists for purposes of coverage.

5450.1 Non-Drug Items

VPharm covers beneficiary cost-sharing (after a Medicare Part B or Part D payment) for insulin and other diabetic supplies, including test strips, needles and syringes.

5450.24 Rebate or Price Discount

VPharm provides secondary pharmacy coverage as described in section 5450 for those eligible for Medicare and VPharm. Manufacturers shall pay to the DVHA a rebate on all pharmaceuticals paid by the State for VPharm beneficiaries in an amount at least as favorable as the rebate or price discount paid in connection with the Medicaid program.

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7502 Prescribed Drugs

~~Coverage is Payment may be made~~ for any ~~preparation, except those unfavorably evaluated, either included or approved for inclusion in the latest edition of official drug compendia~~ drug which is approved under the Federal Food, Drug, and Cosmetic Act, or the use of which is supported by one or more citations included or approved for inclusion in any of the compendia described in section 1927(g)(1)(B)(i) of the Social Security Act.

The compendia are:

I. American Hospital Formulary Service Drug Information,

II. DRUGDEX Information System, and

III. United States Pharmacopeia-Drug Information (or its successor publications)

Coverage of all drugs is subject to the requirements of the Preferred Drug List (PDL).

~~the U.S. Pharmacopoeia, the National Formulary, the U.S. Homeopathic Pharmacopoeia, AMA Drug Evaluations, or Accepted Dental Therapeutics. These consist of both "legend" drugs, for which a prescription is required by State or Federal law, and "over the counter" medicinals, normally purchasable without a prescription. The only exceptions to this are specified in rules 7502.2-7502.5.~~

Physicians and pharmacists are required to conform to Act 127 (18 VSA Chapter 91), otherwise known as the Generic Drug Bill. In those cases where the Generic Drug Bill permits substitution, only the lowest priced equivalent in stock at the pharmacy shall be considered medically necessary. If, in accordance with Act 127, the patient does not wish to accept substitution, Medicaid will not ~~coverpay for~~ the prescription.

7502.1 Smoking Cessation Products

CCoverage of over-the-counter and prescription smoking cessation products is provided to beneficiaries of any age with a limit of two treatment regimens per beneficiary, per calendar year, subject to the requirements of the Preferred Drug list (PDL).

7502.2 Non-Drug Items

~~No payment will be made for Mmost non-drug the following items are not covered.~~ Coverage is provided for Diabetic Supplies, Spacers, and Peak Flow Meters subject to the requirements of the PDL.

Some :

examples of excluded non-drug items include dDentifrices and dental adhesives,

bBaby oOil, s

Mmouthwash, and gargles

Ssoap, s and shampoos, s—nonmedicated, (Medicated products may be covered when prescribed by — a physician and prior approval has been granted by the OVHA Director or designee).

fFood 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. Prior authorization

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~~from the OVHA Director or designee is required).~~

~~B~~Baby ~~f~~Formula; e.g., ~~Enfamil, Dobe, Similac (with or without iron), etc.~~

~~S~~sugar substitutes; e.g., ~~Saccharin, Sweeta, etc.~~

~~A~~topical antiseptics, ~~throat lozenges; e.g., Merthiolate, Tincture of Iodine, etc.~~

~~L~~otions ~~and liniments; e.g., r~~rubbing alcohol, witch hazel, ~~Musterole, Vicks Vaporub, Ben Gay, etc.~~

Band-aids, gauze, adhesive tape, ~~etc.~~

Ostomy Deodorants, oral or external;

~~P~~atent medicine; e.g., ~~Carter's Pills, etc.~~

~~T~~onics; e.g., ~~Geritol, etc.~~

Placebo; ~~tablets, capsules, or solutions~~all dosage forms

~~—Cough syrups; for which a prescription is not required by State or Federal Law or Regulation.—~~

Homeopathic Medicines, Alternative Medicine/Natural Products (e.g. Ginseng, Ginkgo Biloba, etc.)

~~*payment may be made~~Coverage for liquid nutritional supplements is subject to the requirements of the PDL.

Prior authorization is required.

7502.3 Stimulants ~~Amphetamines~~ and Appetite Depressants

~~Stimulants~~Amphetamines and other psychomotor stimulants, straight or in combination, are covered only when used in accordance with the requirements of the Preferred Drug List :

~~A~~ Prior authorization has been granted by the OVHA Director or a designee, or

~~B.~~Used in the treatment of hyperkinesia in children between the ages of 3 and 18 years of age.

~~—No prior authorization is required.~~

~~Non-~~amphetamine-based weight-loss drugs (for example, MeridiaAlli™, Xenical™) are covered with prior authorization.

7502.4 Vitamins and Minerals

~~Select~~Generic pre-natal vitamins are covered for pregnant and lactating ~~women~~women when a physician certifies that condition on the prescription.

Generic multivitamins are covered.

Single vitamins B and D, and select minerals (e.g. calcium, iron) are covered when prescribed for the treatment

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~~of a specific disease; e.g. Injectable vitamin B-12 in the treatment of certain types of anemia. Single vitamins or minerals are covered when prescribed for the treatment of a specific disease; e.g. Vitamin B-12 in the treatment of certain types of anemia.~~

~~High potency multi vitamins are covered only after prior authorization has been granted by the OVHA Director or a designee. Authorization will be granted only upon submission by a physician of pertinent clinical and diagnostic data indicating manifest vitamin deficiency.~~

7502.5 Over The Counter~~Other~~ Preparations

The following classes of over-the-counter preparations are covered in generic form only, where the attending physician has prescribed it as part of the medical treatment of a specific disease; for example, analgesics for the relief of arthritis pain, and laxatives for the bedbound:

~~excluded from coverage:~~

- ~~analgesics such as Alka-Seltzer, Anacin, Aspergum, Aspirin, Bromo-Seltzer, Bufferin, Cope, Ecotrin, Excedrin, Measurin, and Tylenol; acetaminophen, aspirin and other non-steroidal anti-inflammatory products;~~
- ~~fecal softeners; such as those containing docusate such as Colace, Dialose, Dorbane, D.S.S., Duleolax, Peri-Colace, Regutol,~~
- ~~_____ and Surfak;~~
- ~~laxatives and antidiarrheals such as those containing loperamide; such as Agoral, Alophen, Carter's Tablets, Cascara, Citrate of~~
- ~~_____ Magnesia, Correctol, Donnagel, Ex-Lax, Haley's M.O., Kaopectate, Kondremul, Metamucil, Milk of Magnesia, Mineral Oil, Phenolax, Psyllium Seed, Senokot, and Serutan;~~
- ~~_____ antacids; and antifatulents such as _____ antihistamines;~~
- ~~select cough and cold products; and~~
- ~~other select products as determined by the DUR Board and are included in the current list of categories of covered vitamins and over-the-counter drugs.~~
- ~~_____ Amphojel, Di-Gel, Ducon, Gaviseon, Gelusil, Maalox,~~
- ~~_____ Mylanta, Mylicon, Riopan, Silain, and Titalac.~~

~~Exception will be made for the above preparations only where the attending physician has prescribed in quantity as a part of the medical treatment of a specific disease; for example, analgesics for the relief of pains of arthritis, antacids for patients with peptic ulcers or when used for the patient to tolerate other therapeutic medications, and laxatives for the bedbound. A written request for exception and prior approval in such instances, with diagnoses and pertinent clinical data, should be directed to the Office of Vermont Health Access by the prescribing physician.~~

7502.6 Family Planning Items

Contraceptive drugs, supplies, and devices are covered when provided on a physicians order. Birth control pills may be dispensed in a quantity not to exceed a 92-day supply. Payments made for these items will be deemed to qualify for the increased federal financial participation contained in section 1903 (a)(5) of the Social Security Act.