5% Copayment Cap

Department of Vermont Health Access

March 2023

What's happening?

- The Department of Vermont Health Access (DVHA) is improving its system for tracking and charging copays for Vermont Medicaid members. The new system:
  1. Ensures Vermont Medicaid members are not charged more than 5% of their household's total income on cost-sharing.
  2. Streamlines copay information available to Vermont Medicaid-enrolled providers.
- This change is in accordance with federal regulations at 42 CFR § 447.56(f).
- Copay policies are not changing under this new system.

- **DVHA will implement this new system on April 1, 2023.**

What's changing?

- **Current Process:**
  - Manual, retrospective look back is conducted each quarter.
  - Quarterly refund checks are sent to members who spent more than 5% of their income on copayments.
- **New Process:**
  - Member copayments will be tracked in the Medicaid claims system.
  - Copays will be applied to members' eligibility households.
  - Household copays will be automatically turned off within a calendar quarter if the 5% cap is met.
  - The quarterly retrospective look back will remain in place in case some households pay more than their 5% cap.
    - A refund check will be sent.

What’s the impact?

- **How does this impact Vermont Medicaid members?**
  - Copayment policies are the same under this new system.
  - Members will not be charged more than 5% of their household income on copays (or will get a refund the cap is exceeded).
  - Copayment cap notices:
    - The cap met notice says you've met your cap and will not have copays for the rest of the quarter.
    - The refund notice says you've exceeded your cap and includes a check.
- **How does this impact Vermont Medicaid-enrolled providers?**
  - The Green Mountain Care Eligibility System (EVS) will show a copay eligibility indicator that reflects whether Vermont Medicaid members should or should not be charged a copay based on the 5% cap.
  - It is important for providers to continue to check EVS at the time of each visit to ensure copays are charged only when due.
  - Providers will receive a letter informing them of the April 1, 2023, implementation date.