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VScript

5600 VScript (09/01/1992, 92-37)

The General Assembly of the State of Vermont, in its 1989 passage of H.228, provided for the establishment of a state pharmaceutical assistance program for low-income elderly and disabled Vermonters. The Law, Act No. 48, became effective July 1, 1989.

The program shall be administered each fiscal year to assure that expenditures do not exceed the funds authorized by the General Assembly.

The General Assembly, in its 1992 passage of H.754, authorized the Secretary of Human Services to assign VScript to any Department within the Agency of Human Services. The term "Department", as used in these policies, is the Department assigned responsibility for the administration of VScript.

The policies which follow describe this program.

Eligibility

5610 Eligibility (01/01/2007, 06-48)

An individual must meet the following requirements to be found eligible for this program.

Citizenship and Identity

5611 Citizenship and Identity (01/01/2007, 06-48)

The rules for citizenship and identity are in rule 4170.

INTERPRETIVE MEMO

VScript Rule Interpretation

VScript Procedure Interpretation

This interpretive memo remains effective statewide until it is specifically superseded—either by a subsequent interpretive memo or by a contradictory rule with a later date.

Reference 5612 Date of this Memo 05/17/1999 Page 1 of 1

This Memo: is New Replaces one dated _____

QUESTION: Must an individual reside in Vermont for 12 months before applying for benefits from the VScript Program?

ANSWER: No. We have changed the eligibility criteria for state residence in response to the United States Supreme Court decision, Saenz v. Roe (May 17, 1999). Applicants applying for benefits from VScript must reside in Vermont at the time of application. This change eliminates the former 12-month residency requirement.

Residence

5612 Residence (01/01/2007, 06-48)

An individual is a state resident if he/she is living in Vermont at the time of such application:

- A. with intent to remain permanently or for an indefinite period of time: or
- B. while incapable of stating intent.

Temporary absences from Vermont for any of the following purposes does not interrupt or end Vermont residence: visiting, obtaining necessary medical care, or obtaining education or training under a program of vocational rehabilitation or higher education.

Living Arrangement

5613 Living Arrangement (01/01/2007, 06-48)

An individual meets the living arrangement requirement unless he/she is living in a correctional facility including a juvenile facility.

An individual living in a psychiatric facility, an alcohol treatment facility, or a drug treatment facility is eligible for VScript.

Member of Covered Group

5614 Member of Covered Group (01/01/2006, 05-24)

An individual must be a member of one of the following groups to meet this requirement.

5614.1 Elderly Definition (01/01/2006, 05-24)

An individual must be at least 65 years of age on the date the application is filed.

5614.2 Disabled Definition (01/01/2006, 05-24)

An individual must be receiving disability benefits from Social Security (OASDI) to be considered disabled.

Uninsured Definition

5620 Uninsured Definition (05/01/2010, 10-02)

An individual whose prescription drug expenses are paid or reimbursable, either in whole or in part, by any plan of assistance or insurance, including Medicaid, Medicare or VHAP, or eligibility for Medicaid, Medicare or VHAP, shall not be eligible for pharmaceutical assistance under VScript.

Financial Need

5630 Financial Need (01/01/2006, 05-24)

An individual must be a member of a VScript group with countable income under the applicable income test to meet this requirement.

A VScript group includes all of the following individuals if living in the same home:

- A. the VScript applicant and his or her spouse, and
- B. children under age 21 of the applicant or spouse, and
- C. siblings under age 21, including half siblings and step siblings, of B. and
- D. parents, including a stepparent and adoptive parents of C., and
- E. children of any children in B. and C., and
- F. unborn children of any of the above.

The VScript group shall not include any individual eligible for and receiving SSI/AABD benefits. In addition, the income of all SSI/AABD recipients living in the household shall not be considered in determining whether the VScript group passes the income test for VScript.

The VScript group shall not include any individual eligible for and receiving Reach Up benefits. In addition, the income (including the Reach Up assistance payment) of all Reach Up recipients living in the household shall not be considered in determining whether the VScript group passes the income test for VScript.

Countable Income

5631 Countable Income (04/15/1997, 97-4)

Countable income is all earned and unearned income, defined in this section, less all allowed deductions. Income in the month of application and future months is estimated based on income in the calendar month prior to the month of application unless changes have occurred or are expected to occur and this income does not accurately reflect ongoing income. If changes are expected to occur, an estimate of income based on current information should be used.

To determine countable monthly income, average weekly income is multiplied by 4.3 and average bi-weekly income is multiplied by 2.15.

A. Lump Sum Receipts

Lump sum benefits that would have been counted as income if received on time, such as Social Security benefits and Unemployment Compensation, shall be added to all other countable income received or expected by an applicant for or recipient of VScript and counted only in the month of receipt.

Windfall lump sums, such as insurance payments and money received from the sale of a resource, are not counted.

An insurance payment or similar third party payment which is received for a specific purpose, for example, the payment of medical bills or funeral costs, and is used for the stated purpose is excluded. Payments not used for the stated purpose are counted as income in the month received.

B. Unearned Income

Unearned income includes, but is not limited to, the following:

Income from benefit and pension programs, such as Social Security, Railroad Retirement, veterans' pensions or compensation, unemployment compensation and employer or individual private pension plans or annuities.

Interest and dividends.

Child support payments (see rule 5632 W for the exclusion of the first \$50) and alimony payments.

Income from capital investments in which the individual is not actively engaged in managerial effort.

Time payments on mortgages or notes resulting from a casual sale [i.e., a sale not related to self-employment] of real (stationary or fixed property) or personal property.

Voluntary contributions from others.

Unearned income does not include the following:

Infrequent or irregular voluntary cash contributions or gifts received from friends or relatives.

In-kind income that is unearned.

Five percent of a VA monthly award that is retained by a guardian.

C. Earned Income

Countable Income

Earned income includes all salary, wages, commissions or profit from activities in which an individual is engaged as an employee or a self-employed person, including but not limited to active management of capital investments (e.g., rental property).

Earned income is defined as income prior to any deductions for income taxes, FICA, insurance or any other deductions voluntary or involuntary except that, in determining earned income for self-employed individuals, business expenses are deducted first.

Earnings over a period of time, for which settlement is made at one given time, are also included; i.e., sale of farm crops, livestock, poultry, etc. Monthly income is determined by dividing the settlement by the number of months in which it was earned.

Earned income does not include in-kind income that is earned.

The following items are deducted from gross earned income in the sequence listed:

1. Business expenses (self-employment only)
2. Standard employment expense deduction
3. Dependent care expenses

D. Business Expenses

Business expenses, which are deducted from gross receipts to determine adjusted gross unearned income, are limited to operating costs necessary to produce cash receipts, such as:

1. Office or shop rental; taxes on farm or business property; and
2. Hired help; and
3. Interest on business loans; and
4. Cost of materials, stock, and inventory, livestock for resale required for the production of this income.

Items such as personal business and entertainment expenses, personal transportation, purchase of capital equipment, depreciation and payment on the principal of loans for capital assets or durable goods are not allowable business expenses.

Tax returns and business records are considered appropriate sources of accurate figures for farm and business receipts and expenses.

The income of a VScript group owning or operating a commercial boarding house shall be treated as any other business income. A commercial boarding house is defined as an establishment licensed as a commercial enterprise that offers meals and lodging for compensation. In areas without licensing requirements, a commercial boarding house shall be defined as a commercial establishment that offers meals and lodging with the intention of making a profit.

No computation is required for foster homes furnishing boarding care to children in custody of and placed by the Family Services Division (FSD) of the Department for Children and Families. Department board rates are established to cover expenses only with no profit available; therefore, no earned income is considered available from this source.

For a VScript group that is not a commercial boarding house, the business expense of furnishing room and board, alone or as part of custodial care, shall be allowed provided that the amount shall not exceed the payment the VScript group receives from the roomer/boarder for lodging/meals. (See the Procedures Manual for the table of standard business expense deductions for homes providing room or board on a non-commercial basis.)

Countable Income

E. Standard Employment Expense Deduction

The standard employment expense deduction is the first \$90.00 earned per month after deduction of business expenses, where applicable.

The standard employment expense deduction is applied separately to the gross earned income of each individual in the VScript group (see rule 5630) who is employed or self-employed.

F. Dependent Care Expenses

Dependent care expenses necessary to enable the individual to retain his or her employment will be deducted up to a maximum of \$175.00 per month for the care of each member of the VScript group who is an incapacitated adult or a child age two years or older, and up to a maximum of \$200 per month for the care of each child under two years of age who is a member of the VScript group.

Dependent care expenses for the care of a child are not deducted unless the child requiring care is a member of the VScript group or is not a member of the VScript group solely because he/she is a SSI/AABD or a Reach Up recipient and is:

1. under age 13; or
2. age 13 or older and physically or mentally incapable of caring for himself/herself, as verified by the written report of a physician or licensed psychologist; or
3. age 13 or older and under court supervision.

Dependent care expenses will be allowed as paid up to the maximum. If a recipient's dependent care expenses are below the maximum, transportation to and from the dependent care facility may be deducted as part of the expense up to the maximum for both dependent care and transportation.

Payments for dependent care provided by a member of the same VScript group, by the child's parent (biological, adoptive, or stepparent) or legal guardian, or by the incapacitated adult's spouse do not qualify as necessary dependent care expenses under this policy.

The provider of care must be at least 16 years of age. A deduction for dependent care expenses for care of a child can be allowed only when neither parent is available and able to provide necessary care. A deduction for dependent care expenses for care of an incapacitated adult can only be allowed when the incapacitated adult's spouse (where applicable) is either unavailable or available but unable to provide the necessary care because he or she is incapacitated. A spouse shall be considered unavailable if he/she is employed during the time care is required. Incapacity shall be determined in accordance with the process used to determine whether a parent applying for or receiving Reach Up is incapacitated (see rule 2235.3). This process shall give appropriate consideration to the treating physician's opinion.

If dependent care is required for reasons other than employment (e.g., protective services child care or care for training purposes), the client shall be referred to FSD.

INTERPRETIVE MEMO

VScript Rule Interpretation

VScript Procedure Interpretation

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Reference 5632 **Date of this Memo** 01/01/2010 **Page** 1 of 1

This Memo: is New Replaces one dated _____

UPDATE:

Wages paid by the Census Bureau for temporary employment are excluded.

INTERPRETIVE MEMO

VScript Rule Interpretation

VScript Procedure Interpretation

This interpretive memo remains effective statewide until it is specifically superseded—either by a subsequent interpretive memo or by a contradictory rule with a later date.

Reference 5632 **Date of this Memo** 02/01/2010 **Page** 1 of 1

This Memo: is New Replaces one dated _____

UPDATE:

Any income received from a home equity conversion plan is excluded in the month of receipt. If the income is retained after the month of receipt, count it as a resource beginning the month after receipt.

Excluded Income

5632 Excluded Income (04/15/1997, 97-4)

- A. Any income received by a recipient of SSI/AABD or Reach Up living in the VScript household.
- B. All income to an undergraduate student (including parents as well as children in the VScript group) from student grants, loans, or work/study if:
 - 1. such loans or grants are made under a program administered or insured by the U. S. Commissioner of Education; or
 - 2. the sponsor of the grant or loan precludes its use for maintenance purposes; or
 - 3. the work/study program is administered by a college or university recognized by educational authorities and the undergraduate student is enrolled half time or more than half time, as defined in relation to the definition of full time used by the school.

Examples of excludable income sources are: Basic Educational Opportunity Grants, Vermont Student Assistance Corporation grants or loans, Senatorial Scholarships, Supplemental Educational Opportunity Grants (SEOG), and College Work-Study Programs (CWSP).

That portion of any Veterans Administration Educational Assistance Program payment that is for the student and is actually used for tuition, books, fees, child care services or other expenses necessary for enrollment is also excluded.

- C. Student financial assistance provided under Title IV of the Higher Education Act or Bureau of Indian Affairs Student Assistance programs.

Examples of programs in Title IV of the Higher Education Act include:

- 1. Pell Grants.
 - 2. Supplemental Educational Opportunity Grants (SEOG).
 - 3. State Student Incentive Grants (SSIG).
 - 4. College Work Study (CWSP).
 - 5. Perkins Loans (formerly National Direct Student Loans). These are different from loans under the Carl D. Perkins Vocational and Applied Technology Education Act, which are not totally disregarded see D below.
 - 6. Guaranteed Student Loans (GSLP), including PLUS loans and Supplemental Loans for Students.
- D. Student financial assistance provided under the Carl D. Perkins Vocational and Applied Technology Education Act when the assistance is made available to meet attendance costs. Attendance costs include:
 - 1. tuition and fees normally assessed a student carrying the same academic workload as the applicant/recipient, as determined by the institution, including costs for rental or purchase of any equipment, materials, or supplies required of all students in the same course of study as the applicant/recipient; and
 - 2. an allowance for books, supplies, transportation, dependent care and miscellaneous personal expenses for a student attending the institution on at least a half-time basis, as determined by the institution.

Excluded Income

- E. Reimbursements for expenses (such as child or dependent care, transportation, purchase or maintenance of clothing, and meals) attributable to participation in unpaid voluntary activities, including the value of meals provided during the course of these activities.
- F. Payments made pursuant to a court order for support or alimony, an Administrative Order for support issued by the Human Services Board, or a contract between the Office of Child Support and noncustodial parent requiring the payment of support. This income exclusion is limited to payments actually made by a member of the VScript group toward the support of a person(s) outside the group. The payment amount is deducted first from the VScript group's countable earned income, with any balance deducted from unearned income.
- G. The value of 3SquaresVT benefits under the Food Stamp Act of 1977.
- H. The value of foods donated by the U. S. Department of Agriculture (surplus commodities).
- I. Any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
- J. Earned income of a child under the age of 19 if the child is a full-time student or a part-time student who works less than full time. A child is a student if he or she is enrolled in a school, college, university, or a course of vocational or technical training designed to prepare him or her for gainful employment. Such educational institution shall determine whether the student is enrolled full time or part time. Full-time employment is work that involves 100 or more hours per month; less than full-time employment is work that involves fewer than 100 hours per month.
- K. Monthly income of any child (see definition of child at J. above) from any program carried out under the Job Training Partnership Act (JTPA). This applies to earned or unearned income, except that, in the case of earned income, this disregard may not exceed six months per calendar year.

This income cannot be disregarded for adults.

The \$10 per day allowance given to individuals in JTPA training is also always disregarded as income for both children and adults.
- L. Payments for support services and/or reimbursement for out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, or senior companions and to persons serving in the Service Corps of Retired Executives and Active Corps of Executives or any other program under Titles II and III pursuant to Section 418 of P. L. 93-133.
- M. Payments to individual volunteers under Title I of P. L. 93-133 Section 404(g), University Year For Action payments under P. L. 93-113, and PL 96-143, Section 9 (VISTA) payments, unless determined by the Director of ACTION to be equivalent to or greater than the federal or state minimum wage.
- N. The tax exempt portions of payments made pursuant to P. L. 92-203 (Alaska Native Claims Settlement Act of 1973).
- O. Payments distributed per capita to or held in trust for members of any Indian Tribe under P. L. 92-254 or P. L. 93-134, or P. L. 94-540.
- P. Payments received for the care of foster children in the custody of, and placed by, the Families Services Division. The rate of payment is established to cover expenses only with no profit available; therefore, no income is considered available from this source.
- Q. Experimental Housing Allowance Program payments made under Annual Contributions Contracts entered into prior to January 1, 1975, under the U. S. Housing Act of 1937, as amended.

Excluded Income

- R. Reach Up support services, either as reimbursements or advance payments to the individual for child care, transportation, work-related expenses, work-related supportive services, education, or training-related supportive services.
- S. Any benefits received under Title VII, Nutrition Program for the Elderly, of the Older American Act of 1965, as amended.
- T. The value of supplemental food assistance received under the Child Nutrition Act of 1966, as amended, and the Special Food Service Program for children under the National School Lunch Act, as amended (P. L. 92-433 and P. L. 93-150).
- U. Receipts distributed to members of certain Indian tribes referred to in Section 5 of P. L. 94-114, which became effective October 17, 1975.
- V. Any income received from an emergency fuel supplement or energy allowance to assist with the cost of heating.
- W. The first \$50 in child support payments made by a noncustodial parent on behalf of a VScript group member within each calendar month. When more than one noncustodial parent makes child support payments on behalf of a single VScript group in the same calendar month, the maximum amount of child support to be disregarded in determining the VScript group's eligibility is \$50.
- X. Payments to persons of Japanese or Aleut ancestry as restitution for injustices suffered during the Second World War.
- Y. German reparations to concentration camp survivors, slave laborers, partisans, and other victims of the Holocaust. Settlement payments to victims of Nazi persecution or their legal heirs resulting from the confiscation of assets during World War II.
- Z. Federal Earned Income Tax Credit (EITC), whether received with each paycheck or as a refund (lump sum).
- AA. Payments made from the Agent Orange Settlement Fund or any other fund established because of the Agent Orange product liability litigation.
- AB. Payments made pursuant to the Radiation Exposure Compensation Act (Public Law 101-426).
- AC. Payments made under Indian Trust Funds Acts (Public Laws 97-458 and 98-64) and initial purchases made with such funds by the original recipient of the funds.
- AD. Interest held in a trust or in restricted lands pursuant to section 8 of Public Law 93-134 and up to \$2,000 annual income received from the lease or other uses of the individually owned trust or restricted lands.
- AE. Distributions made under Public Law 100-241, which amended the Alaska Native Claims Settlement Act:
 - 1. cash, including cash dividends on stock received from a Native Corporation, to the extent that it does not, in the aggregate, exceed \$2000 per individual per calendar year; or
 - 2. stock, including stock issued or distributed by a Native Corporation as a dividend or distribution on stock; or
 - 3. a partnership interest; or
 - 4. land or an interest in land, including land or an interest in land received from a Native Corporation as a dividend or distribution on stock; or
 - 5. an interest in a settlement trust.

Excluded Income

- AF. Payments made pursuant to the Maine Indian Claims Settlement Act of 1980 to a member of the Passamaquoddy Indian Tribe, the Penobscot Nation, or the Houlton Band of Maliseet Indians.
- AG. Payments made to a member of the Aroostook Band of Micmacs pursuant to the Aroostook Band of Micmacs Settlement Act.
- AH. Financial assistance paid through the Disaster Relief Act of 1974 as amended by Public Law 100-707 in 1988 and provided as major disaster and emergency assistance. This disaster coverage is intended to provide relief to people living or working in an area severely struck by natural or man-made disaster. The disaster must have been so severe as to cause the President to designate a Federal Disaster Zone. Additional relief provided under these circumstances by states, local governments and disaster assistance organizations is also excluded.
- AI. Bonafide loans.

Determining Income

5633 Determining Income (07/01/2001, 01-07)

Complete the following steps to determine countable income:

- A. Constitute the VScript group according to the definition included in Financial Need (rule 5630)
- B. Determine the combined countable income for the VScript group as constituted in step A above.
- C. Compare the result to the applicable income test for the VScript group size as constituted in step A above.

All otherwise eligible individuals in a VScript group who pass the income test are income-eligible for the VScript program.

Individuals potentially eligible for traditional Medicaid, such as pregnant women or children, have their eligibility determined under those rules but are considered members of the VScript group for purposes of determining the VScript group size and countable income.

Income Test

5634 Income Test (07/01/2001, 01-07)

Income for a VScript group shall not exceed VScript income maximums based on 225 percent of the federal poverty level (FPL). The income maximums (P-2420) are updated 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 ESD's income maximum, ESD will issue a second increase on April 1.

INTERPRETIVE MEMO

VScript Rule Interpretation

VScript Procedure Interpretation

This interpretive memo remains effective statewide until it is specifically superseded—either by a subsequent interpretive memo or by a contradictory rule with a later date.

Reference 5640 **Date of this Memo** 05/15/2006 **Page** 1 of 1

This Memo: is New Replaces one dated _____

QUESTION: Does VScript cover diabetic supplies?

ANSWER: VScript covers insulin and other diabetic supplies, including glucose strips and tablets, needles and syringes.

INTERPRETIVE MEMO

VScript Rule Interpretation

VScript Procedure Interpretation

This interpretive memo remains effective statewide until it is specifically superseded—either by a subsequent interpretive memo or by a contradictory rule with a later date.

Reference 5640 Date of this Memo 01/30/2008 Page 1 of 1

This Memo: is New Replaces one dated 02/10/2006

QUESTION: Does VScript cover over-the-counter (OTC) medications?

ANSWER: Coverage is limited to maintenance drugs only.

The OTC's that are covered are limited to Loratadine and Prilosec OTC®, non-steroidal anti-inflammatory analgesics (NSAIDS), Cetirizine swallow tablets and Zyrtec OTC Syrup.

The manufacturer of the drug is required to be enrolled in the federal rebate program for VScript OTC medications.

The manufacturer is required to be enrolled in the state rebate program for VScript Expanded OTC medications.

Coverage

5640 Coverage (01/01/2006, 05-24)

Individuals are enrolled in this program and receive assistance in purchasing covered maintenance drugs from participating pharmacies after meeting all eligibility criteria and paying the required premium.

The departments payment for covered pharmaceuticals shall be based upon current Medicaid payment and dispensing policies.

INTERPRETIVE MEMO

VScript Rule Interpretation

VScript Procedure Interpretation

This interpretive memo remains effective statewide until it is specifically superseded—either by a subsequent interpretive memo or by a contradictory rule with a later date.

Reference 5641 Date of this Memo 07/15/2009 Page 1 of 1

This Memo: is New Replaces one dated _____

QUESTION: Who is affected by the rule as it related to a 90–day supply?

ANSWER: The rule applies to persons using the selected maintenance drug classes when they are eligible under Medicaid, VHAP-Pharmacy, VScript or VScript Expanded when Medicaid, VHAP-Pharmacy, VScript or VScript Expanded is their primary coverage. This means that the rule does not apply to persons who are on Medicare or covered by private insurance. the list of maintenance drugs requiring a 90–day fill is on the OVHA webpage: <http://ovha.vermont.gov/for-providers/pharmacy-programs-bulletins-alerts>.

QUESTION: What happens when a physician or medical professional licenses to prescribe drugs in Vermont wants to request an exception to the 90–day supply policy?

ANSWER: When a pharmacy submits a claim for payment for a drug in a selected 90 day supply class, the claim will deny unless there is an exception authorization on file. The prescriber should request an exception when he/she believes in his/her clinical and professional judgement there is an extenuating circumstance to justify an exception. A request must be patient and drug specific. To facilitate the request, the prescriber should submit the Exception to Required 90 Day Maintenance Medication Fill form found on the web page of the Office of Vermont Health Access at: <http://ovha.vermont.gov/for-providers/pharmacy-prior-authorization-request-forms> using the instructions found on the form.

QUESTION: Will the prescriber have to do anything to request a lesser day supply for the initial fill?

ANSWER: The prescriber does not have to do anything to request the initial supply. When the prescriber writes the new script the pharmacy will indicate it is a new script when submitting the claim for payment. That indication will exclude that first script from the requirement.

Maintenance Drugs

5641 Maintenance Drugs (11/13/2010, 10-11)

"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 duly licensed medical professional licensed by the state of Vermont to prescribe within the scope of his or her practice and enrolled in Vermont Medicaid.

Apart from the select drugs used for maintenance treatment described below, all other maintenance drugs must be prescribed and dispensed for not less than 30 days and not more than 90 days. If there are extenuating circumstances in an individual case which, in the judgment of the prescriber, dictate a shorter prescribing period for these drugs, the supply may be for less than 30 days as long as the prescriber prepares in sufficient written detail a justification for the shorter period. The extenuating circumstance must be related to the health and/or safety of the beneficiary and not for convenience reasons. It is the responsibility of the pharmacy to maintain in the beneficiary's record the prescriber's justification of extenuating circumstances.

Select drugs used for maintenance treatment must be prescribed and dispensed in 90-day supplies. The drug utilization review board shall make recommendations to the director on the drugs to be selected. This limit shall not apply when the beneficiary initially fills the prescription in order to provide an opportunity for the beneficiary to try the medication and for the prescriber to determine that it is appropriate for the beneficiary's medical needs. If there are extenuating circumstances in an individual case which, in the judgment of the prescriber, dictate a shorter prescribing period, an exception form that identifies the individual and the reason for the exception may be filed with the Department of Vermont Health Access (DVHA).

Up to five refills are permitted if allowed by state or federal law.

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 shall be considered medically necessary. If, in accordance with Act 127, the beneficiary does not wish to accept substitution, VScript will not pay for the prescription.

Lists of covered drugs classes are maintained and periodically updated by the Department of Vermont Health Access and available upon request.

For beneficiaries whose VScript group income is greater than 175 percent but no greater than 225 percent of the federal poverty level coverage is limited to drugs dispensed by participating pharmacies from manufacturers who pay to the DVHA a rebate on all pharmaceuticals paid by the State for VScript beneficiaries in an amount at least as favorable as the rebate or price discount paid in connection with the Medicaid program.

Participating Pharmacy

5642 Participating Pharmacy (12/01/2003, 03-17)

"Pharmacy" means a retail or institutional drug outlet licensed by the Vermont state board of pharmacy pursuant to chapter 36 of Title 26, or by an equivalent board in another state, in which prescription drugs are sold at retail and which has entered into a written agreement with the state to dispense drugs in accordance with the provisions of this program. To enroll in VScript, a provider must:

- A. satisfactorily complete and submit to the Department the standard enrollment form;
- B. submit with the enrollment form a signed provider agreement which sets forth the standard provisions and assurances required of participating providers;
- C. conform to the standards of the Vermont State Board of Pharmacy and other Federal and State statutes and regulations applicable to the dispensing of prescription drugs to the general public;
- D. agree to provide reasonable access to records necessary to comply with the provisions for program review set forth in the Provider Agreement;
- E. never deny services to, or otherwise discriminate against, a recipient on the basis of race, color, sex, age, religious preference, national origin or handicap; and
- F. take appropriate steps to prevent misutilization of prescription drugs, with special concern for the potentially dangerous interaction of two or more prescription drugs from different prescribers.

Dispensing

5643 Dispensing (12/01/2003, 03-17)

A drug may be dispensed by a participating pharmacy to a beneficiary upon verification of enrollment, provided such dispensing is pursuant to and in accordance with any contractual arrangement that the department may enter into or approve for the group discount purchase of drugs. Group discount purchase of drugs means contractual arrangements for the procurement and/or distribution of drugs designed to contain costs which include but need not be limited to volume purchasing through manufacturers, wholesalers or retailers, manufacturers' rebates, or mail order delivery. Contracts will be awarded pursuant to guidelines established by the Agency of Administration in Bulletin 3.5 and subsequent issuances. Prior to the beginning of each fiscal year, the Commissioner shall determine the most practical and cost-effective method of purchasing VScript covered drugs. When a person or business located in Vermont and employing citizens of this state has submitted a bid for the group discount purchase of drugs and has not been selected, the Commissioner of the Department shall record the reason for nonselection. The Commissioner's report shall be a public record available to any interested person. All bids or quotations shall be kept on file in the Commissioner's Office and open to public inspection.

The department shall monitor enrollment in the VScript program on a monthly basis, and shall limit enrollment in the program so that expenditures do not exceed the appropriation available for the program in any fiscal year.

Cost Sharing Requirements

5650 Cost Sharing Requirements (08/01/2012, 12-05)

All VScript beneficiaries must pay monthly premiums as specified in 4160 through 4162 to be enrolled in a VScript coverage group.

The following premium amounts apply to VScript.

VScript Premiums

| <u>VScript Group Income</u> | <u>Coverage Group</u> | <u>Monthly Program Fee, Per Beneficiary</u> |
|-----------------------------|-----------------------|---|
| > 150% ≤ 175% FPL | VScript | \$23.00 |
| > 175% ≤ 225% FPL | VScript Expanded | \$50.00 |

In addition, a beneficiary shall contribute a co-payment of \$1.00 for prescriptions costing less than \$30.00, and a co-payment of \$2.00 for prescriptions costing \$30.00 or more.

A pharmacy may not refuse to dispense a prescription to a beneficiary who does not provide the co-payment.

Application

5660 Application_ (04/01/2005, 05-09)

Between January 1 and June 15, applicants may complete the VScript application form provided in the state income tax return. The application form must be completed legibly and accurately with all questions answered fully, the rights and responsibilities statement read, proper signatures of applicant and applicant's spouse, dated, and submitted to the Department of Taxes on or before June 15. The Department of Taxes shall perform such income verification as is requested by the Secretary and transmit applications to the Department.

By signing/marketing the rights and responsibilities statement on the application form, the applicant authorizes the Department to verify any information on the form, such as by contacting the Internal Revenue Service or the Social Security Administration.

Applicants may also access the VScript program anytime during the year by filing a VHAP-Pharmacy or Medicaid application. Applicants found ineligible for VHAP-Pharmacy or Medicaid shall have their eligibility determined for VScript and enrolled in VScript, upon payment of the required premium provided all other eligibility criteria are met.

Individuals have the responsibility to:

- A. notify the Department of a change of address;
- B. notify the Department whenever they become eligible for another plan of assistance or insurance;
and
- C. notify the Department of a change in income or household size after an application has been submitted but before eligibility begins.

Application Decision

5661 Application Decision (04/01/2005, 05-09)

An eligibility decision must be made within 30 days of the date the application is received by the Health Access Eligibility Unit or a Department for Children and Families district office. An applicant with countable income over the income test shall be denied and may reapply at any time.

Each applicant for the VScript program shall be given written notice of the decision on his/her application. All notice letters shall explain the decision and why it was made and how to appeal the decision if not satisfied.

The department will issue each enrolled beneficiary an identification card. This card shall contain the beneficiary's name and identification number. The identification card must be presented to a provider at the time of purchase. Replacement cards shall be issued by the department.

Eligibility Period and Enrollment

5662 Eligibility Period and Enrollment (04/01/2005, 05-09)

A. Eligibility

If VScript eligibility begins on or after July 1 but no later than December 31, VScript eligibility continues through June 30 of the next year. If VScript eligibility begins on or after January 1 but no later than June 30, VScript eligibility continues through June 30 of the following year.

A review of eligibility will be completed before the end of each certification period to assure uninterrupted coverage if the individual remains eligible, pays all required premiums and complies in a timely manner with review requirements. An individual who fails to pay required premiums or fails to comply in a timely manner with review requirements shall receive a termination notice mailed at least 11 days before the termination date.

Medicaid or VHAP-Pharmacy beneficiaries who lose eligibility in those programs will be enrolled in VScript upon payment of required premium, provided all other eligibility criteria are met.

B. Enrollment

Once eligibility for VScript is determined and required premiums are received by the department, according to rules specified at rules 4160-4162 beneficiaries are enrolled beginning on the first day of the month following receipt of full premium payment through June 30 unless they are disenrolled at the end of the month following a notice mailed at least 11 days before the disenrollment date because they:

1. fail to pay required premiums;
2. establish residence outside of Vermont;
3. become eligible for full or partial coverage of prescription drugs under another plan of assistance or insurance;
4. are incarcerated;
5. voluntarily withdraw;
6. are found to have been ineligible on the date coverage began;
7. are no longer in contact with the Department for Children and Families and have no known address; or
8. die.

Individuals are required to report any of the above changes, as applicable, and any change of address within 10 days of the change.

If a beneficiary's coverage is terminated solely because of nonpayment of the premium, and the reason is medical incapacity, as specified in rule 4161, the beneficiary or their representative may request coverage for the period between the day coverage ended and the last day of the month in which they request coverage. The Department will provide this coverage if it has received verification of medical incapacity and all premiums due for the period of non-coverage. The beneficiary is responsible for all bills incurred during the period of non-coverage until the Department receives the required verification and premium amounts due.

If the medical incapacity is expected to continue or recur, the Department will encourage beneficiaries to designate an authorized representative to receive and pay future bills for as long as the anticipated duration of the condition (see rule 4112).

Payment Methodology

5663 Payment Methodology (07/01/2007, 06-05)

Participating pharmacies shall dispense a drug upon verification of a beneficiary's enrollment. The pharmacy shall collect the charge for the drug from the Department.

Right to Appeal

5664 Right to Appeal_ (07/01/2007, 06-05)

Regarding eligibility issues, a request for a fair hearing must be made within ninety (90) days of the date the notice of the decision being appealed was mailed. A request for a hearing is defined as a clear expression, oral or written, that the individual wishes to appeal a decision or that he/she wants an opportunity to present his/her case to a higher authority.

Individuals who have applied for or received VScript may appeal any decision of the Department of Vermont Health Access (“DVHA”) relating to their coverage and may request an internal managed care organization (“MCO”) appeal and a fair hearing before the Human Services Board. A beneficiary may utilize the internal MCO appeal process (see rule 7110.2) while a fair hearing is pending or before a fair hearing is requested (see rule 7110.3). Fair hearings or MCO appeals must be filed within 90 days of the date the notice of action was mailed by the MCO, or if no mailing, within 90 days after the action occurred. A request for a fair hearing challenging an MCO appeal decision must be made within ninety (90) days of the date the original notice of the MCO decision being appealed was made, or within thirty (30) days of the date the notice of the MCO decision being appealed was mailed.

When beneficiaries appeal a decision to end or reduce VScript coverage, they have the right, under certain conditions, to have benefits continue without change until the appeal or fair hearing is decided provided the beneficiary has requested an appeal before the effective date of the change and has paid in full any required premiums (see rule 7110.2). Beneficiaries appealing the amount of their premiums shall pay at the billed amount in order for coverage to continue until the dispute is resolved.

Continuation of benefits without change does not apply when the appeal is based solely on a reduction or elimination of a benefit required by federal or state law affecting some or all beneficiaries, or when the decision does not require the minimum advance notice (see rule 4150). Beneficiaries who waive their right to continued benefits will be reimbursed for out-of-pocket expenses for covered services provided during the appeal process in any case in which the MCO or Human Services Board reverses the decision.

VScript beneficiaries also have the right to file grievances using the provisions of the Global Commitment for Health 1115 waiver internal grievance process. Beneficiaries (or duly appointed representatives) may file grievances orally or in writing. The grievance provisions are found at rule 7110.5.

Notice of an adverse change in cost sharing requirements must be mailed to individuals at least 10 days before the effective date.