

## Coverage

5450 Coverage (~~XX/XX/2024, GCR 23-14402/25/2012, 11-13~~)

~~(a) 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 the following secondary supplemental pharmacy coverage as described below for those eligible for Medicare and VPharm:~~

~~(1) VPharm covers beneficiary Medicare prescription drug plan cost-sharing after any federal low-income subsidy (LIS) is applied. This may include:~~

~~(A) Deductible,~~

~~(B) Co-payments,~~

~~(C) Coinsurance,~~

~~(D) The coverage gap, and~~

~~(E) Catastrophic copayments according to Medicare prescription drug plan rules.~~

~~(2) VPharm covers the Medicare prescription drug plan premium up to the low-income premium subsidy (LIS) amount (as determined by the Centers for Medicare and Medicaid Services).~~

~~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).~~

~~(b) VPharm will also provide supplemental coverage for certain categories of drugs if they are not covered by the the PDP/MA-PD Medicare prescription drug plan. These categories of drugs are covered as they are covered under Medicaid and can be found in the Medicaid State Plan on the Agency of Human Services website.~~

~~(1) Coverage of these drugs is Coverage is subject to the requirements of the preferred drug list (PDL), which is available on the Department of Vermont Health Access website.:~~

~~(2) Coverage for the pharmaceuticals described above shall be based upon current Medicaid payment and dispensing policies.~~

~~A. drugs for anorexia, weight loss, or weight gain (rule 7502.3);~~

~~B. vitamins or minerals if the conditions described in rule 7502.4 are met;~~

~~C. over the counter prescriptions if the conditions described in rule 7502.5 are met;~~

~~D. barbiturates; and~~

~~E. benzodiazepines~~

~~(c) 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. The following additional In addition, benefits are available for VPharm 1 beneficiaries only:~~

~~(1) provided for One comprehensive visual analysis (including a refraction) and one interim eye exam (including a refraction) within a two-year period, and~~

(2) 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.~~

~~(d) 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 statute at 33 V.S.A. § 2073(d), rule 3505.1.~~

~~(e) Beneficiaries may request coverage of a prescribed drug when an individual has exhausted the appeal process under the Medicare prescription drug benefit. 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.~~

~~(f) For VPharm beneficiaries who are eligible for and have applied for the Medicare prescription drug benefit but have not yet received coverage due to an operational problem with Medicare, or who otherwise have not received coverage for a needed drug: Vermont Medicaid will cover the drug if medically necessary and if it finds that good cause and hardship exist. Coverage will continue until the operational problem and good cause and hardship ends. The individual must have made every reasonable effort with Medicare, given the individual's circumstances, to obtain coverage.~~

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~~In the case of the statin lipotropic and proton pump inhibitor drug classes, VPharm requires the use of select 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:~~

~~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 a generic drug by requesting an exception override from DVHA. The override will be based on the same criteria provided for under section 4606 of Title 18 (generic substitutions). The prescriber must provide a detailed explanation regarding:~~

~~(1) the drug(s) 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 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 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 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 (02/25/2012, 11-13XX/XX/2024, GCR 23-144)

- (a) 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.

#### Coverage

#### ~~5450.2 Rebate or Price Discount (02/25/2012, 11-13)~~

~~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.~~