

Medication Copayment Fact Sheet

Overview The Department of Veterans Affairs (VA) charges certain Veterans a copayment for each 30-day or less supply of medication provided on an outpatient basis for a nonservice-connected condition. The copayment charge is calculated annually based on a formula linked to the medical consumer price index. (Reference: 38 CFR 17.110)

Based on this calculation, the medication copayment amount will increase from \$8 to \$9 for Veterans in Priority Groups 7s and 8s, effective July 1, 2010, for each 30-day or less supply of medication provided on an outpatient basis for treatment of a nonservice-connected condition. Veterans enrolled in VA's priority groups 2-6 will continue to pay \$8 for each 30-day or less supply of medication and have a cap on the amounts that they can be charged for medication copayments each year. This cap will remain at the current \$960 per year. There is no cap on medication copayment charges for Veterans in priority groups 7 & 8.

Questions Answers to the most frequently asked questions concerning the 2010 medication copayment increase are provided below.

Question	Answer
When will the \$9 medication copayment rate go into effect?	The new copayment rate is effective with prescriptions filled on or after July 1, 2010.
Why is the copayment rate increasing?	This increase is required by federal regulation which links VA's copayments to increases in the medical consumer price index. (Reference - 38 CFR 17.110)
How is the copayment amount calculated?	<ul style="list-style-type: none"> • For each calendar year beginning after December 31, 2002, the Index of the previous September 30th will be divided by the index as of September 30th, 2001. • The ratio so obtained will be multiplied by the original copayment amount of \$7. • The copayment amount of the new calendar year will be this result, rounded down to the whole dollar amount. <p>Based on this calculation, the medication copayment amount and the change in the Code of Federal Regulations, starting in July 2010 is \$9 for Veterans in Priority Groups 7s and 8s while those in Priority Groups 2-6 will continue to pay \$8 with a \$960 annual copay cap.</p>

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Questions (continued)

Question	Answer
What is the copayment cap?	The copayment cap is a limit on the amount of medication copayment charges a Veteran in VA's priority groups 2-6 can incur in a single calendar year. There is no copayment cap for Veterans in priority groups 7 & 8.
Does the increase to \$9 in the copayment amount affect the annual cap on medication copayments for Veterans in VA's priority groups 2-6?	No, the current \$960 per calendar year cap for Veterans in VA's priority groups 2-6 will remain the same as the copayment charge also remains same, at \$8 per 30 days or less supply of medication. .
How will the copayment amount be updated in the VA's computer system (VistA)?	VA will issue a software patches IB*2*429 and AR*4.5*268 to update the copayment amount to \$9 for Veterans in VA's priority groups 7s and 8s.
How will Veterans be notified of this change?	<p>There are several informational items that will be available to Veterans explaining this change in the medication copayment amount:</p> <ul style="list-style-type: none"> • Patient Statements mailed during the months of June 2010, July 2010, August 2010 and September 2010 will include an insert explaining the increase. Field staff will also receive a copy. • A brochure entitled "Facts You Should Know Medication Copay" will be provided to each facility for distribution to Veterans. • Posters will be distributed to each facility announcing the copayment change.
What happens if a patient is accidentally billed \$9 instead of \$8 for a prescription filled prior to July 1, 2010?	If the copayment bill is currently in an "active" status, enter a decrease adjustment of \$1 per prescription that was billed incorrectly; if patient has previously paid, refund.

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**Further
Information**

Facility staff should submit questions on this material to the Chief Business Office Q and A website using the link
<http://vaww1.va.gov/CBO/apps/qanda/index.cfm>
