



P R O V I D E R B U L L E T I N

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To: All Pharmacy Providers and Practitioners Prescribing and Dispensing Medications
Subject: Changes to Copayment Amounts for Pharmacy Services

Note: The information in this bulletin is not directed to those providers rendering services in the risk-based managed care delivery system. The copayment changes described in this bulletin do not apply to Package C members. Copayments for Package C members remain at \$3.00 for generic, compound, and sole-source prescription drugs; and \$10.00 for brand-name prescription drugs.

Overview

This bulletin addresses changes to the copayment amounts for pharmacy services that will become effective **July 1, 2002**. These changes should be noted by practitioners who prescribe medications and pharmacies that dispense medications to Indiana Health Coverage Programs (Indiana Medicaid) members.

Modifications to Indiana Medicaid Copayment Amounts

The Office of Medicaid Policy and Planning (OMPP) is amending 405 IAC 5-24-7 to modify member copayment amounts for pharmacy services. Medicaid copayment amounts for pharmacy services are currently based on a tiered system for brand name drug products, with a set copayment rate for all generic and compounded prescriptions.

The revised Indiana Medicaid copayment methodology eliminates the tiered copayment schedule for brand name drugs and replaces it with a flat \$3.00 copay for brand name legend drugs. In addition, it changes the copay amount for all covered non-legend (OTC) drugs to \$0.50. The revised copayment amounts for pharmacy services are summarized in Table 1.1.

Table 1.1 – Revised Copayment Amounts for Pharmacy Services

Copayment	Drug Product
\$3.00 each	Brand name legend drug
\$0.50 each	Generic legend drug
\$0.50 each	Brand name or generic non-legend drug
\$0.50 each	Compound drug (legend or non-legend)

There will be no change in the drugs subject to copayment. Please note, in particular, the following:

- It continues to be the case that copayments are required for all covered legend and non-legend drugs that are subject to copayment and are dispensed by pharmacy or physician providers.
- It continues to be the case that copayments are not required for medical supply items, devices, or durable medical equipment.
- Competitively priced brand name drugs, such as brand name drugs priced at or below the price of a generic equivalent, are considered brand name drugs for copayment purposes.
- Patent protected, cross-licensed multi-source drugs sold under more than one brand name are considered generic drugs for copayment purposes. For example, Zestril and Prinivil.

There will not be any changes to copayment exemptions for pharmacy services. Providers should consult the *Indiana Health Coverage Programs Provider Manual, Chapter 2* for other information on copayment policies and procedures.

Questions

Providers should contact the EDS Point Of Service Helpdesk at 1-877-877-5182 if there are any questions regarding what constitutes a brand name versus a generic drug, or if there are any other questions related to the information contained in this bulletin.

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