

REPORT OF THE COUNCIL ON MEDICAL SERVICE

CMS Report 7 - I-03
(December 2003)

Subject: VA Transitional Pharmacy Benefit

Presented by: Ardis D. Hoven, MD, Chair

1 At the 2003 Annual Meeting, the House of Delegates adopted the recommendations in Council on
2 Medical Service Report 1, which summarized the mission of the Veterans Health Administration
3 (VHA); described the VHA market-based enrollment strategy that has been in effect since October
4 1998; and explained the VHA prescription drug benefit. The report also discussed the difficulties
5 inherent in the VHA amending its policies to permit veterans to have their prescriptions filled by
6 the VHA on the authority of private physicians.

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8 The following report, which is presented for the information of the House, is intended to
9 summarize the new VA Transitional Pharmacy Benefit, announced by the VHA in late July 2003.
10 Although the Transitional Pharmacy Benefit is directly related to the issues that were addressed by
11 Council Report 1 (A-03), the Council believes that the program may be viewed by some as
12 inadequate due to its time-sensitive eligibility limitations, as well as the burdensome nature of
13 several of its administrative requirements.

14 VA TRANSITIONAL PHARMACY BENEFIT

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17 The Transitional Pharmacy Benefit was officially announced July 25, 2003, by the Secretary of
18 Veterans Affairs, and published in the *Federal Register* as an interim final rule (68 Fed. Reg. 143).
19 The intent of the benefit is to relieve new VA patients of the financial burden of paying for
20 prescriptions until a VA physician can see them for their first primary care appointment. The
21 program specifically targets the backlog of veterans waiting more than 30 days, many of whom are
22 seeking appointments principally to take advantage of the VA's low-cost prescription drug benefit.
23 The VA will fill prescriptions written by non-VA doctors for up to one year or until the veteran's
24 first primary care appointment with VA.

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26 The Transitional Pharmacy Benefit is a temporary program with many limitations and eligibility
27 restrictions. To be eligible, veterans must have been enrolled in the VA health care system prior to
28 July 25, 2003; must have requested the first primary care appointment with the VA prior to
29 July 25, 2003; and must have been waiting more than 30 days for the initial primary care
30 appointment as of September 22, 2003. Some veterans may be required to make a copayment
31 depending on their eligibility and financial status. All prescriptions will be dispensed by mail.

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33 Private physicians must comply with several requirements in order for their prescriptions to be
34 filled by the VA. Prescribed drugs must be listed in the VA National Formulary List. Prescriptions
35 must be sent by physicians to the VA by mail. Each prescription must specify patient name;
36 medication name; indication for medication or diagnosis; medication quantity in multiples of 30,
37 up to a 90-day supply; instructions for use; number of authorized refills; and a legible signature.
38 This information must be provided on a VA information sheet and enclosed in an envelope
39 distributed by the VA to eligible patients.

1 After prescriptions have been received by the VA, a VA pharmacy professional may contact
2 private physicians to discuss VA National Formulary issues, switching to an equally effective but
3 less expensive medication, or restrictions that apply to specific drugs. Medications that are not
4 covered by this benefit include controlled substances (such as narcotics), intravenous and over-the-
5 counter medications (except insulin and syringes), one-time medications and medical supplies for
6 acute illness (such as antibiotics), and medications that require administration by a health care
7 professional.

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9 The Transitional Pharmacy Benefit program is expected to serve 200,000 veterans, more than half
10 of whom have been waiting more than six months for their first primary care appointment. The
11 Office of Management and Budget estimates the cost of the program at approximately \$49 million.
12 The Transitional Pharmacy Benefit program is to be paid out of the VA's existing budget. The VA
13 was to have sent eligible veterans notice of their eligibility in early September 2003, with eligible
14 veterans to have received the benefit beginning in late September. Eligible veterans also were to
15 have received packets containing the documents to be filled out by their private physicians and the
16 envelopes those physicians are to use to mail the prescriptions and related information to the VA.

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18 Two documents of specific interest to physicians, "Physician Information and Links to VA
19 Prescribing Guidance" and "Transitional Pharmacy Benefit Drug List," can be accessed at the
20 VA's Web site at: <http://www.va.gov/elig/TPBVANF.htm>. Additional background information on the
21 Transitional Pharmacy Benefit program, such as a list of frequently asked questions, can be found
22 on the VA's Web site at: <http://www.va.gov/elig/TPB.htm> or by calling the VHA's Health Benefits
23 Service Center toll-free at 1-877-222-VETS (8387).

Fiscal Note: None