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**TITLE 405 OFFICE OF THE SECRETARY OF
FAMILY AND SOCIAL SERVICES**

Proposed Rule
LSA Document #03-260

DIGEST

Amends 405 IAC 6-2-3, 405 IAC 6-2-5, 405 IAC 6-3-3, 405 IAC 6-4-2, 405 IAC 6-4-3, 405 IAC 6-5-1, 405 IAC 6-5-2, 405 IAC 6-5-3, 405 IAC 6-5-4, 405 IAC 6-5-6 provisions affecting eligibility and enrollment requirements, and policy for the Indiana Prescription Drug Program. Repeals 405 IAC 6-2-21, 405 IAC 6-2-22, 405 IAC 6-6-3, and 405 IAC 6-6-4. Effective 30 days after filing with the secretary of state.

405 IAC 6-2-3	405 IAC 6-5-1
405 IAC 6-2-5	405 IAC 6-5-2
405 IAC 6-2-21	405 IAC 6-5-3
405 IAC 6-2-22	405 IAC 6-5-4
405 IAC 6-3-3	405 IAC 6-5-6
405 IAC 6-4-2	405 IAC 6-6-3
405 IAC 6-4-3	405 IAC 6-6-4

SECTION 1. 405 IAC 6-2-3, AS AMENDED AT 26 IR 697, SECTION 1, IS AMENDED TO READ AS FOLLOWS:

405 IAC 6-2-3 “Benefit period” defined

Authority: IC 12-10-16-5

Affected: IC 12-10-16

Sec. 3. “Benefit period” means a specified time frame during which an enrollee ~~accrues or~~ expends the cost of prescription drugs. The benefit ~~periods are~~ **period is** specified in 405 IAC 6-5-3. (*Office of the Secretary of Family and Social Services; 405 IAC 6-2-3; filed Mar 8, 2001, 11:19 a.m.: 24 IR 2456; filed Nov 4, 2002, 12:13 p.m.: 26 IR 697*)

SECTION 2. 405 IAC 6-2-5, AS AMENDED AT 26 IR 697, SECTION 2, IS AMENDED TO READ AS FOLLOWS:

405 IAC 6-2-5 “Complete application” defined

Authority: IC 12-10-16-5

Affected: IC 12-10-16

Sec. 5. “Complete application” means an application ~~which~~ **that** includes the following information about the applicant and applicant’s spouse, if applicable:

- (1) Name.
- (2) Address of domicile.
- (3) Date of birth.
- (4) Social Security number.
- (5) Marital status.
- ~~(6) Whether the applicant had health insurance with a prescription drug benefit in the past year.~~
- ~~(7) (6) Whether the applicant currently has insurance that includes a prescription drug benefit.~~
- ~~(8) (7) Whether the applicant is on Medicaid including Medicaid with a spend-down; prescription drug assistance.~~
- ~~(9) (8) Whether the applicant has resided intends to reside in Indiana for at least ninety (90) days in the past twelve (12) months.~~
permanently.

~~(10)~~ **(9)** Proof of income.

~~(11)~~ **(10)** Signature.

(Office of the Secretary of Family and Social Services; 405 IAC 6-2-5; filed Mar 8, 2001, 11:19 a.m.: 24 IR 2457; filed Nov 4, 2002, 12:13 p.m.: 26 IR 697)

SECTION 3. 405 IAC 6-3-3, AS AMENDED AT 26 IR 699, SECTION 16, IS AMENDED TO READ AS FOLLOWS:

405 IAC 6-3-3 Date of availability

Authority: IC 12-10-16-5

Affected: IC 12-10-16

Sec. 3. ~~(a)~~ The program is available to an enrollee beginning with the benefit period prior to the one in which the enrollee applied for enrollment in the program:

~~(b)~~ **(a)** After July 1, 2002, program availability will be no sooner than the date complete application is received and approved.

~~(c)~~ **(b)** Those enrollees applying on or before the tenth of a month will have point of service benefits available on the first day of the following month. Those enrollees applying after the tenth of a month will have point of service benefits available no later than the first day of the second following month.

~~(d)~~ **(c)** The program is not available for prescription drugs purchased prior to the month in which the enrollee turned sixty-five (65) years of age. *(Office of the Secretary of Family and Social Services; 405 IAC 6-3-3; filed Mar 8, 2001, 11:19 a.m.: 24 IR 2459; filed Nov 4, 2002, 12:13 p.m.: 26 IR 699)*

SECTION 4. 405 IAC 6-4-2, AS AMENDED AT 26 IR 699, SECTION 17, IS AMENDED TO READ AS FOLLOWS:

405 IAC 6-4-2 Income

Authority: IC 12-10-16-5

Affected: IC 12-10-16

Sec. 2. (a) To be eligible for the program, an applicant's monthly family net income must not exceed the income limit listed below for the applicant's family size:

Family Size	Net Monthly Income Limit
1	\$997 \$1,011
2	\$1,344 \$1,364
3	\$1,690 \$1,717

(b) For each additional family member over three (3), the family member standard shall be added to the net monthly income limit for a family of three **(3)** in order to calculate the net monthly income limit. A child who earns more than the family member standard per month is not included in the calculation of monthly net income or in family size.

(c) The monthly net income limits are determined by multiplying the annual federal poverty guideline amounts for each family size by one hundred thirty-five percent (135%), dividing by twelve (12), and then rounding up to the next whole dollar.

(d) The income standards in subsection (a) shall increase annually in the same percentage (%) amount that is applied to the federal poverty guideline. The increase shall be effective on the first day of the second month following the month of publication of the federal poverty guideline in the Federal Register.

(e) The Social Security cost of living adjustment (COLA) received annually in January is disregarded until subsection (d) occurs.

(f) A general monthly income disregard of twenty dollars (\$20) is allowed and applied per household. It is deducted from the total monthly net income. *(Office of the Secretary of Family and Social Services; 405 IAC 6-4-2; filed Mar 8, 2001, 11:19*

a.m.: 24 IR 2459; filed Nov 4, 2002, 12:13 p.m.: 26 IR 699)

SECTION 5. 405 IAC 6-4-3 IS AMENDED TO READ AS FOLLOWS:

405 IAC 6-4-3 Ineligibility

Authority: IC 12-10-16-5

Affected: IC 12-10-16

Sec. 3. Notwithstanding any other provision of this article, an individual is not eligible for the program if any of the following apply:

(1) ~~The individual had health insurance with a prescription drug benefit during the prior benefit period and, at the time of application, The individual has health insurance with a prescription drug benefit~~ **at the time of application.**

(2) The individual ~~has is not resided~~ **domiciled** in Indiana. ~~for ninety (90) days or more during the past twelve (12) months.~~

(3) The individual does not intend to reside permanently in Indiana.

~~(3)~~ **(4)** The individual is an inmate of a correctional facility.

(Office of the Secretary of Family and Social Services; 405 IAC 6-4-3; filed Mar 8, 2001, 11:19 a.m.: 24 IR 2460; errata filed May 30, 2001, 10:00 a.m.: 24 IR 3070)

SECTION 6. 405 IAC 6-5-1, AS AMENDED AT 26 IR 700, SECTION 18, IS AMENDED TO READ AS FOLLOWS:

405 IAC 6-5-1 Prescription drug coverage

Authority: IC 12-10-16-5

Affected: IC 12-10-16

Sec. 1. (a) ~~The program shall issue a partial refund to an enrollee for the purchase of prescription drugs, as defined under this article, based upon the limitations set forth in this rule if an enrollee submits a refund certificate.~~

~~(b) Rather than submit a refund certificate,~~ An eligible enrollee may go to any participating provider to purchase prescription drugs and present his or her prescription and program identification card at the point of service to receive immediate program benefits. At the point of service, the provider shall determine the following:

(1) Whether the enrollee is eligible.

(2) Whether the individual whose name appears on the identification card is the same as the individual for whom the prescription is written.

(3) Whether the enrollee has benefits available.

(4) The price of a prescription drug in accordance with 405 IAC 6-8-3.

(5) That all prescription discounts, if applicable, are taken after the appropriate drug price has been determined.

(6) The amount of the enrollee's copayment.

(Office of the Secretary of Family and Social Services; 405 IAC 6-5-1; filed Mar 8, 2001, 11:19 a.m.: 24 IR 2460; filed Nov 4, 2002, 12:13 p.m.: 26 IR 700)

SECTION 7. 405 IAC 6-5-2, AS AMENDED AT 26 IR 700, SECTION 19, IS AMENDED TO READ AS FOLLOWS:

405 IAC 6-5-2 Benefit defined by family income level

Authority: IC 12-10-16-5

Affected: IC 12-10-16

Sec. 2. (a) ~~The refund or~~ benefit at the time of purchase, which is issued to an enrollee per benefit period, is limited by family monthly net income as follows:

Income Guideline	Individual's Monthly Net Income	Couple's Monthly Net Income	Annual Benefit
Up to 135% of federal poverty guideline	Up to \$997 \$1,011 per month	Up to \$1,344 \$1,364 per month	50% benefit, up to \$500 benefit/year
Up to 120% of federal poverty guideline	Up to \$886 \$898 per month	Up to \$1,194 \$1,212 per month	50% benefit, up to \$750 benefit/year

Under 100% of federal poverty guideline	Up to \$739 \$748 per month	Up to \$995 \$1,010 per month	50% benefit, up to \$1,000 benefit/year
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(b) An enrollee and spouse who are enrolled in the program will each receive the maximum ~~refund~~, or benefit at the time of purchase for prescription drug expenses up to the annual benefit in subsection (a) for which they qualify by family income level.

(c) Upon such time as the enrollee exceeds the annual benefit, the enrollee may use the program identification card to access program benefit prescription drug rates as defined by 405 IAC 6-8-3 and 405 IAC 6-8-4 until the enrollee benefit period expires. *(Office of the Secretary of Family and Social Services; 405 IAC 6-5-2; filed Mar 8, 2001, 11:19 a.m.: 24 IR 2460; filed Nov 4, 2002, 12:13 p.m.: 26 IR 700)*

SECTION 8. 405 IAC 6-5-3, AS AMENDED AT 26 IR 700, SECTION 20, IS AMENDED TO READ AS FOLLOWS:

405 IAC 6-5-3 Benefit period

Authority: IC 12-10-16-5

Affected: IC 12-10-16

Sec. 3. (a) ~~The refund certificate program shall consist of four (4) benefit periods per year, defined as follows:~~

~~(1) Benefit period one: October 1 through December 31;~~

~~(2) Benefit period two: January 1 through March 31;~~

~~(3) Benefit period three: April 1 through June 30;~~

~~(4) Benefit period four: July 1 through September 30.~~

~~(b) The point of service benefit shall be one (1) year of continuous eligibility up to the benefit limit in accordance with section 2 of this rule. (Office of the Secretary of Family and Social Services; 405 IAC 6-5-3; filed Mar 8, 2001, 11:19 a.m.: 24 IR 2460; filed Nov 4, 2002, 12:13 p.m.: 26 IR 700)~~

SECTION 9. 405 IAC 6-5-4, AS AMENDED AT 26 IR 701, SECTION 21, IS AMENDED TO READ AS FOLLOWS:

405 IAC 6-5-4 Benefit duration

Authority: IC 12-10-16-5

Affected: IC 12-10-16

Sec. 4. (a) ~~The refund certificate program is available to an enrollee for a maximum of four (4) consecutive benefit periods.~~

~~(b)~~ (a) The point of service benefit is available to an enrollee for one (1) year **of continuous benefits.**

~~(c) If an enrollee is utilizing both the refund certificate program and the point of service program, the maximum benefit duration to an enrollee is one (1) year of continuous benefits.~~

~~(d) To reenroll in the refund certificate program or~~ (b) **Following the expiration of the enrollee's last benefit period, the individual must reenroll for the point of service benefits benefit.** A new application must be submitted to the office in accordance with this article. *(Office of the Secretary of Family and Social Services; 405 IAC 6-5-4; filed Mar 8, 2001, 11:19 a.m.: 24 IR 2460; filed Nov 4, 2002, 12:13 p.m.: 26 IR 701)*

SECTION 10. 405 IAC 6-5-6, AS AMENDED AT 26 IR 701, SECTION 23, IS AMENDED TO READ AS FOLLOWS:

405 IAC 6-5-6 Benefits; program appropriations

Authority: IC 12-10-16-5

Affected: IC 12-10-16

Sec. 6. (a) ~~Upon submission of a completed refund certificate, or~~ At the point of service, benefits are available under this program on a first come, first served basis.

(b) Benefits will exist under this program to the extent that appropriations are available for the program.

(c) The state budget director shall determine if appropriations are available to continue offering and paying benefits to enrollees. (Office of the Secretary of Family and Social Services; 405 IAC 6-5-6; filed Mar 8, 2001, 11:19 a.m.: 24 IR 2460; filed Nov 4, 2002, 12:13 p.m.: 26 IR 701)

SECTION 11. THE FOLLOWING ARE REPEALED: 405 IAC 6-2-21; 405 IAC 6-2-22; 405 IAC 6-6-3; 405 IAC 6-6-4.

Notice of Public Hearing

Under IC 4-22-2-24, notice is hereby given that on January 6, 2004 at 9:00 a.m., at the Indiana Government Center-South, 402 West Washington Street, Conference Center Room 2, Indianapolis, Indiana the Office of the Secretary of Family and Social Services will hold a public hearing on a proposed rule to amend 405 IAC 6, provisions affecting eligibility and enrollment requirements and remove provisions regarding the refund system of processing claims for the Indiana Prescription Drug Program (Hoosier Rx). Written comments may be directed to MS-27 Office of General Counsel, Attention: Maureen Bartolo, 402 West Washington Street, Room W451, Indianapolis, Indiana 46204. Correspondence should be identified in the following manner: "COMMENTS RE: PROPOSED RULE LSA Document #03-260: Indiana Prescription Drug Program/Hoosier Rx". Written comments received will be made available for public display at the above listed address of the Office of General Counsel. Copies of these rules are now on file at the Indiana Government Center-South, 402 West Washington Street, Room W451 and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.

Cheryl Sullivan
Secretary
Office of the Secretary of Family and Social Services