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TITLE 405 OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES

Identification # LSA 04-95

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In accordance with I.C. 4-22-7-7, the Office of the Secretary of Family and Social Services is publishing notice of the following document that will be filed with the Secretary of State on June 1, 2004 to take effect on June 1, 2004 as an emergency rule. The document filed on June 1, 2004 will amend 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, and 405 IAC 6-5-6 provisions affecting eligibility and benefits under the Indiana Prescription Drug Program; amends definition and duration of eligibility, and the benefits for enrollees.

SECTION 1. (405 IAC 6-2-5) "Complete application" means an application which 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 currently has insurance that includes a prescription drug benefit, **except for a Medicare Drug Discount Card.**
- (7) Whether the applicant is on Medicaid, with prescription drug assistance.
- (8) Whether the applicant intends to reside in Indiana permanently.
- (9) Proof of income.
- (10) Signature.

SECTION 2. (405 IAC 6-3-3) (a) After July 1, 2002, program availability will be no sooner than the date complete application is received and approved.

(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.

(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.

(d) All current enrollees shall be automatically enrolled in a new benefit period on June 1, 2004.

SECTION 3. (405 IAC 6-4-2) (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	\$1,011 \$1,048
2	\$1,364 \$1,406
3	\$1,717 \$1,764

(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 (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 income disregard of twenty dollars (\$20) is allowed and applied per household. It is deducted from the total monthly net income.

SECTION 4. (405 IAC 6-4-3) Notwithstanding any other provision [of this document], an individual is not eligible for the program if any of the following apply:

- (1) **The individual has health insurance with a prescription drug benefit at the time of application. The applicant currently has insurance that includes a prescription drug benefit, except for a Medicare Drug Discount Card.**
- (2) The individual is not domiciled in Indiana.
- (3) The individual does not intend to reside permanently in Indiana.
- (4) The individual is an inmate of a correctional facility.

SECTION 5. (405 IAC 6-5-1) 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 co-payment.
- (7) **Whether the individual has a Medicare Drug Discount Card and has spent the \$600 annual transitional assistance credit. The provider shall encourage the enrollee to use the Medicare Drug Discount Card benefit first.**

SECTION 6. (405 IAC 6-5-2) (a) **The benefit at the time of purchase, which is issued to an enrollee per benefit period, is limited by family monthly net income as follows: The amount of benefit will be limited to a maximum of \$1,200 over a period of 19 months, and prorated, depending on time of enrollment.**

Income Guideline	Individual's Monthly Net Income	Couple's Monthly Net Income	Annual Benefit
Up to 135% of federal poverty guideline	Up to \$940 \$1,011 per month	Up to \$1344 \$1,364 per month	50% benefit up to \$500 benefit/year
Up to 120% of federal poverty guideline	Up to \$835 \$898 per month	Up to \$1194 \$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
\$1,200 if enrolled June–September 2004	\$1,000 if enrolled October–December 2004	\$800 if enrolled January–March 2004	Prorate \$200 per quarter after March 2005

(b) An enrollee and spouse who are enrolled in the program will each receive the maximum 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) The Prescription Drug Program will pay 75% of the cost of prescription drugs, up to the individual's maximum limit. Enrollee will pay 25% of the cost of prescription drugs, up to the individual's maximum limit.

~~(c)~~ (d) Upon such time as the enrollee exceeds the **annual maximum** 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.

SECTION 7. (405 IAC 6-5-3) The point of service benefit shall be ~~one (1) year of continuous eligibility up to the~~ **for a period of continuous eligibility up to the individual's maximum** benefit limit in accordance with SECTION 6 [of this document].

SECTION 8. (405 IAC 6-5-4) (a) The point of service benefit is available to an enrollee ~~for one (1) year of continuous benefits through December of 2005.~~

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(b) Following the expiration of the enrollee's last benefit period, the individual must reenroll for the point of service benefit. A new application must be submitted to the office in accordance [with this document].

SECTION 9. (405 IAC 6-5-6) (a) At the point of service, benefits are available under this program on a first come, first served basis.

(b) If eligible, enrollees are encouraged to enroll in the Medicare Drug Discount Card program and apply for the \$600 annual transitional assistance available for low-income beneficiaries. Seniors are encouraged to use the \$600 annual Medicare benefit first before using the Prescription Drug Program benefit.

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

~~(c)~~ (d) The state budget director shall determine if appropriations are available to continue offering and paying benefits to enrollees.

SECTION 10. **This document expires on August 29, 2004.**
