

Document: Proposed Rule, **Register Page Number:** 27 IR 3209

Source: July 1, 2004, Indiana Register, Volume 27, Number 10

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

Proposed Rule
LSA Document #04-95

DIGEST

Amends 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 concerning eligibility and benefits under the Indiana Prescription Drug Program, the definition and duration of eligibility, and the benefits for enrollees. Effective 30 days after filing with the secretary of state.

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

SECTION 1. 405 IAC 6-2-5, AS AMENDED AT 27 IR 2486, 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 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 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.

(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; filed Mar 22, 2004, 3:15 p.m.: 27 IR 2486)

SECTION 2. 405 IAC 6-3-3, AS AMENDED AT 27 IR 2487, SECTION 3, 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) 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. *(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; filed Mar 22, 2004, 3:15 p.m.: 27 IR 2487)*

SECTION 3. 405 IAC 6-4-2, AS AMENDED AT 27 IR 2487, SECTION 4, 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~~ **as follows** 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 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; filed Mar 22, 2004, 3:15 p.m.: 27 IR 2487)*

SECTION 4. 405 IAC 6-4-3, AS AMENDED AT 27 IR 2487, SECTION 5, 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~~ **applicant currently** has health insurance ~~with that includes~~ a prescription drug benefit, ~~at the time of application: 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.

(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; filed Mar 22, 2004, 3:15 p.m.: 27 IR 2487)

SECTION 5. 405 IAC 6-5-1, AS AMENDED AT 27 IR 2487, SECTION 6, 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. 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.
- (7) Whether the individual has a Medicare Drug Discount Card and has spent the six hundred dollar (\$600) annual transitional assistance credit. The provider shall encourage the enrollee to use the Medicare Drug Discount Card benefit first.**

(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; filed Mar 22, 2004, 3:15 p.m.: 27 IR 2487)

SECTION 6. 405 IAC 6-5-2, AS AMENDED AT 27 IR 2488, SECTION 7, 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 amount of benefit at the time of purchase, which is issued to an enrollee per benefit period, is will be limited by family monthly net income as follows: to a maximum of one thousand two hundred dollars (\$1,200) over a period of nineteen (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 \$1,011 per month	Up to \$1,364 per month	50% benefit, up to \$500 benefit/year
Up to 120% of federal poverty guideline	Up to \$898 per month	Up to \$1,212 per month	50% benefit, up to \$750 benefit/year
Under 100% of federal poverty guideline	Up to \$748 per month	Up to \$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 for which amount~~ in subsection (a) ~~for which they qualify. by family income level.~~

(c) The prescription drug program will pay seventy-five percent (75%) of the cost of prescription drugs up to the individual's maximum limit. Enrollee will pay twenty-five percent (25%) of the cost of prescription drugs up to the individual's maximum limit.

~~(e)~~ **(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. *(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; filed Mar 22, 2004, 3:15 p.m.: 27 IR 2488)*

SECTION 7. 405 IAC 6-5-3, AS AMENDED AT 27 IR 2488, SECTION 8, 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. The point of service benefit shall be ~~one (1) year~~ **for a period** of continuous eligibility up to the **individual's maximum** 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; filed Mar 22, 2004, 3:15 p.m.: 27 IR 2488)*

SECTION 8. 405 IAC 6-5-4, AS AMENDED AT 27 IR 2488, SECTION 9, 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 point of service benefit is available to an enrollee ~~for one (1) year of continuous benefits.~~ **through December of 2005.**

(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 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; filed Mar 22, 2004, 3:15 p.m.: 27 IR 2488)*

SECTION 9. 405 IAC 6-5-6, AS AMENDED AT 27 IR 2489, SECTION 10, 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) 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 six hundred dollars (\$600) annual transitional assistance available for low-income beneficiaries. Seniors are encouraged to use the six hundred dollar (\$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.

(e) (d) 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; filed Mar 22, 2004, 3:15 p.m.: 27 IR 2489*)

Notice of Public Hearing

Under IC 4-22-2-24, notice is hereby given that on July 27, 2004 at 9:00 a.m., at the Indiana Government Center-South, 402 West Washington Street, Conference Center Room D, Indianapolis, Indiana the Office of the Secretary of Family and Social Services will hold a public hearing on proposed amendments concerning eligibility and benefits under the Indiana Prescription Drug Program. 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