



VA HEALTH CARE

Fact Sheet 16-16
February 2011

Changes in Insurance Billing for Prescriptions

Change in the amount VA bills your prescription

Guided by VA's mission of providing exceptional health care that improves your health and well-being, VA is implementing a new billing process to be more in line with industry standards that enables VA to better serve you (our Veterans).

If you have an outpatient prescription filled on or after March 18, 2011 for a nonservice-connected condition, you will see a change in your Explanation of Benefits (EOB) from your insurance company. VA will bill the actual cost of the prescription plus an administrative fee that will be adjusted annually. Instead of seeing only a flat \$51 charge on your EOB from your insurance company, you will now see the actual cost of the drug plus the administrative fee. The total charge on your EOB may change based on the cost of the medication and quantity filled.

Copayments

VA will continue to charge a fee for each 30 day or less supply of medication provided on an outpatient basis for non-service connected conditions. Copays are adjusted annually and are currently \$8 or \$9 depending on your eligibility category.

If you are copay exempt (which means you do not pay a copay) you will remain copay exempt. If you are copay required (which means you pay a copay) you will continue to be required to pay a copay. This billing change will not affect your copay requirements. VA will continue to credit your account dollar-for-dollar based on the amount your insurance company pays VA for your prescription. In many cases reimbursement paid by your insurance company will cover your copays. You will be responsible for the remainder of your copay.

Commonly Asked Questions

Why does my EOB look different?

Currently, VA bills your insurance company a flat fee of \$51 regardless of the drug or amount dispensed. Under the new process, VA will bill the actual cost of each drug for the quantity dispensed plus an administrative fee. This new amount is what you will see on your EOB, rather than the \$51 you have seen in the past. The effective date for this change is March 18, 2011, for Outpatient prescriptions filled on or after that date.

How will the new billing process affect my copay?

The change will not impact how VA processes and offsets your copay. When VA receives payment from your insurance company, VA offsets your copay dollar-for-dollar. As long as a payment equaling your copay is received, you will not be charged a copay. If your insurance company pays VA an amount less than your copay, then you will receive a bill for your copayment.

If you need more information, please call 1-877-222-VETS (8387).