



# 65IB Schedule & Public Law

## Covered Drugs

Covered drugs include:

- Single source and multi-source innovator drugs for which a prescription is required and is marketed under an original New Drug Application (NDA) approved by the Food & Drug Administration (FDA);
- Biologics marketed under a FDA license; and
- "Generics" that are marketed under an NDA.

## "Big 4" Pricing

The "Big 4" customers include

- Department of Veterans Affairs
- Department of Defense
- Public Health Services, including Indian Health Services
- Coast Guard

Other eligible agencies:

- State Veterans Homes with sharing agreements
- Division of Immigration Health Services that purchases drugs

## Online Resources

Public Law FAQs:

<http://www.fss.va.gov/fss/faqs/publicLaw102585.asp>

Public Law 102-585:

<http://www.va.gov/oamm/oa/nac/fss/publiclaw.cfm>

## Public Law 102-585 Veterans Health Care Act of 1992

Public Law 102-585 Veterans Healthcare Act of 1992 was enacted on November 4, 1992. Section 603 of this law applies to the prices certain agencies pay for pharmaceuticals. The Secretary of Veterans Affairs has the statutory responsibility for implementing and enforcing Section 603 of this act. PL 102-585 only applies to SIN 42-2A single source innovator, multiple source innovator, biological and insulin pharmaceutical products under FSC 65, Section I, Part B, Drugs, Pharmaceuticals, and Hematology Related Products.

## What You Need to Know...

- Contracts awarded under Schedule 65IB will not be extended at the end of the initial five (5) year period of performance; as such, all 65IB Schedule contractors *must* submit a follow-on proposal at this time.
- All offered pharmaceutical products must be FDA approved *or* subscribe to a monograph.
- Manufacturers with covered drugs must enter in to a Master Agreement (MA) and a Pharmaceutical Pricing Agreement (PPA) with the Secretary of the Department of Veterans Affairs.
- Covered drug products falling under Special Item Number 42-2A are required to have calculated Federal Ceiling Prices (FCPs). The VA's Pharmacy Benefits Management (PBM) team is responsible for calculating all FCPs; therefore, all FCP calculations must be submitted to PBM by email: [nonfamp@va.gov](mailto:nonfamp@va.gov). In accordance with PL 102-585, pricing updates are to be finalized for inclusion by January 1<sup>st</sup> of each year.
- A manufacturers of SIN 42-2A products who does not comply with the requirements of PL 102-585 is precluded from selling to or receiving payment for any of their product lines from any federal agency as well as any buyer of covered drugs under Medicaid, or any entities that receive funds under the Public Health Service Act.



National Acquisition Center  
Federal Supply Schedule Service

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