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News Release

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New Regulation Decreases Cost of Outpatient Medication

Copay for Most Veterans

Washington – The Department of Veterans Affairs (VA) is amending its regulation on copayments for Veterans' outpatient medications for non-service connected conditions. VA currently charges non-exempt Veterans either \$8 or \$9 for each 30-day or less supply of outpatient medication, and under current regulations, a calculation based on the medication of the Medical Consumer Price Index (CPI-P) would be used to determine the copayment amount in future years.

“Switching to a tiered system continues to keep outpatient medication costs low for Veterans,” said VA Under Secretary for Health Dr. David J. Shulkin. “Reducing their out-of-pocket costs encourages greater adherence to prescribed outpatient medications and reduces the risk of fragmented care that results when multiple pharmacies are used; another way that VA is providing better service to Veterans.”

This new regulation eliminates the formula used to calculate future rate increases and establishes three classes of outpatient medications identified as Tier 1, Preferred Generics; Tier 2, Non-Preferred Generics including over-the-counter medications; and Tier 3, Brand Name. Copayment amounts for each tier would be fixed and vary depending upon the class of outpatient medication in the tier.

These copayment amounts will be effective February 27, 2017:

\$5 for a 30-day or less supply - Tier 1 outpatient medication

\$8 for a 30-day or less supply - Tier 2 outpatient medication

\$11 for a 30-day or less supply - Tier 3 outpatient medication

These changes apply to Veterans without a service-connected condition, or Veterans with a disability rated less than 50 percent who are receiving outpatient treatment for a non-service connected condition, and whose annual income exceeds the limit set by law. Medication copayments do not apply to former Prisoners of War, catastrophically disabled Veterans, or those covered by other exceptions as set by law.

Copayments stop each calendar year for Veterans in [Priority Groups 2-8](#) once a \$700 cap is reached.

More information on the new tiered medication copayment can be found at:

<https://www.gpo.gov/fdsys/pkg/FR-2016-12-12/pdf/2016-29515.pdf>

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