



## DEPARTMENT OF VETERANS AFFAIRS

### Reasonable Charges for the National Average Administrative Prescription

### Drug Charge Calendar Year (CY) 2021 Update

**AGENCY:** Department of Veterans Affairs.

**ACTION:** Notice.

**SUMMARY:** This Department of Veterans Affairs (VA) notice identifies the website where updates to the National Average Administrative Prescription Charge is located for purposes of calculating VA's costs for prescription drugs not administered during treatment, but provided or furnished by VA.

**DATES:** This adjustment is effective January 1, 2021.

**FOR FURTHER INFORMATION CONTACT:** Ms. Romona Greene, Office of Community Care (OCC), Revenue Operations, Payer Relations and Services, Rates and Charges (13RO1), Veterans Health Administration, Department of Veterans Affairs, 810 Vermont Avenue, NW, Washington, DC 20420. The telephone number is 202-382-2521 (this is not a toll-free number).

**SUPPLEMENTARY INFORMATION:** Section 17.101(m) of title 38 C.F.R. establishes the charges for prescription drugs not administered during treatment, as part of medical care or services provided or furnished by VA to a Veteran under 38 CFR § 17.101(a)(1) for a nonservice-connected disability for which the Veteran is entitled to care (or the payment of expenses for care) under a health plan contract; for a nonservice-connected disability incurred incident to the

Veteran's employment and covered under a worker's compensation law or plan that provides reimbursement or indemnification for such care and services; or for a nonservice-connected disability incurred as a result of a motor vehicle accident in a state that requires automobile accident reparations insurance.

As indicated in 38 CFR 17.101(m), when VA provides or furnishes prescription drugs not administered during treatment, within the scope of care described in section 17.101(a)(1), charges billed separately for such prescription drugs will consist of the amount that equals the total of the actual cost to VA for the drugs and the national average of VA administrative costs associated with dispensing the drugs for each prescription. Section 17.101(m) further describes the methodology for calculating the national average administrative cost for prescription drug charges not administered during treatment.

VA determines the amount of the national average administrative cost annually for the prior fiscal year (October through September) and then applies the charge at the start of the next calendar year.

Consistent with section 17.101(a)(2), the national average administrative cost calculated by VA under section 17.101(m) will be posted online on VA's OCC website at [https://www.va.gov/communitycare/revenue\\_ops/payer\\_rates.asp](https://www.va.gov/communitycare/revenue_ops/payer_rates.asp) under the heading "Reasonable Charges Rules, Notices, and Federal Register and identified as CY 21 National Average Administrative Cost (PDF)", to be effective on January 1, 2021. The national average administrative cost posted will be effective until changed by a subsequent Federal Register notice.

**SIGNING AUTHORITY:** The Secretary of Veterans Affairs, or designee, approved this document and authorized the undersigned to sign and submit the

document to the Office of the Federal Register for publication electronically as an official document of the Department of Veterans Affairs. Brooks D. Tucker, Assistant Secretary for Congressional and Legislative Affairs, performing the delegable duties of the Chief of Staff, approved this document on December 10, 2020 for publication.

**Jeffrey M. Martin,**  
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[FR Doc. 2020-27804 Filed: 12/16/2020 8:45 am; Publication Date: 12/17/2020]