



Australian Government
Department of Veterans' Affairs

Businessline

Action Required: For Information Only

To:

Income Support Senior Management Group
Income Support Business Maintenance Support Officers
Client Contact Performance Team
VANQUISH

For information:

Secretary
Deputy Secretary Veteran and Family Services
Deputy President
Repatriation Commissioner
First Assistant Secretary Client Benefits Division
First Assistant Secretary Client Engagement and Support Services
First Assistant Secretary Commemorations and Transformation
Deputy Commissioner (All States)
Chief Financial Officer
Income.Support.PRandI.Team
Mail.and.Courier.Services
Clients.Benefits.Div.Coord
Income.Support.Branch.Coord
VSAS Service Operations 1 – Income Support

**SUBJECT: Veterans' Pharmaceutical Reimbursement Scheme (VPRS)
Payments**

Purpose:

The purpose of this Businessline is to advise that the 2024 annual payment will be made to veterans under the VPRS on 20 March 2024.

Background

The VPRS provides an annual reimbursement to eligible veterans for the cost of the concessional pharmaceutical co-payments not covered by existing Department of Veterans' Affairs (DVA) entitlements.

A client is eligible for the VPRS if they have:

- Qualifying service (QS)

And has either of the following:

- Veteran Gold Card, or

- Veteran White Card, and pharmaceuticals are for an accepted condition

And one of the below applies:

- receives a Disability Compensation Payment
- receives a *Military Rehabilitation and Compensation Act 2004* (MRCA) permanent impairment payment, either lump sum or regular payments
- assessed as having a permanent impairment under the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA)

Payment Date

The VPRS payment for the 2023 calendar year is expected to be processed on 24 February 2024 for payment to be made into the clients' preferred payment destination on or after 20 March 2024.

Correspondence confirming payments will be issued by either surface mail or through MyGov to the approx. 26,000 recipients prior to the payment date.

Copies of these advice letters will be saved into the clients' HP Content Manager ('TRIM') container.

Details of payments made to each client are viewable under VIEW > Payabilities > VPRS History.

Enquiries

Clients with a myGov account appropriately set up will receive a VPRS payment notification via the myGov service. Clients that receive payment notification via their myGov account will no longer receive physical mail.

Clients can find more information at www.dva.gov.au/vprs

Frequently asked questions on the annual VPRS payments has been prepared for the use of staff handling veteran enquiries.

All client enquiries for the VPRS payment should be directed to 1800 VETERAN (1800 838 372) and then connected to the Income Support Payments team.

Action

There is no action required of staff at this time.



Inga Petkovich
Acting Assistant Secretary
Income Support Branch
Client Benefits Division

5 March 2024

Veterans Pharmaceutical Reimbursement Scheme (VPRS) Annual Reimbursement Run 2024 – Frequently Asked Questions:

AT A GLANCE

Approx. 26,000 clients will receive a VPRS payment for the 2023 calendar year on or after 20 March 2024. Copies of all letters sent will be available in the clients' HP Content Manager ('TRIM') container.

1. What is the Veterans' Pharmaceutical Reimbursement Scheme?

The Veterans' Pharmaceutical Reimbursement Scheme (VPRS) provides an annual reimbursement to eligible veterans for the cost of the concessional pharmaceutical co-payments not covered by existing Department of Veterans' Affairs (DVA) entitlements.

2. Do I need to register to be eligible for the VPRS?

You do not need to register to be eligible for the VPRS. You will be eligible for the VPRS if you have:

- Qualifying service (QS)

And either a:

- Veteran Gold Card, or
- Veteran White Card, and pharmaceuticals are for an accepted condition

And one of the below applies:

- receives a Disability Compensation Payment
- receives a *Military Rehabilitation and Compensation Act 2004* (MRCA) permanent impairment payment; either lump sum or regular payments
- assessed as having a permanent impairment under the *Safety, Rehabilitation and Compensation (Defence-related Claims) Act 1988* (DRCA)

3. How do I claim for the reimbursement?

No claim is necessary. DVA uses the claims data already provided by pharmacies to assess your medication use. The reimbursement amount will be calculated automatically using this data and paid into your nominated bank account.

4. Do my doctor and pharmacist need to do anything for me to be eligible for a VPRS payment?

No, your doctor and pharmacist do not need to do anything for you to be eligible for a VPRS payment.

5. How do I know if I will get a VPRS payment?

You will get a reimbursement if you have spent more on concessional co-payments than the amount of *notional* pharmaceutical allowance you received. Notional pharmaceutical allowance is generally similar to the amount of Pension Supplement, Veterans Supplement, or MRCA/DRCA supplement you receive.

6. When will I receive a VPRS payment?

Your VPRS payment will be made on or after Wednesday 20 March 2024 to cover costs incurred over the 2023 calendar year. You will be sent an advice letter to notify you of the reimbursement and how it was calculated.

7. What is the concessional pharmaceutical co-payment?

The concessional pharmaceutical co-payment is the amount that you pay the pharmacist for each prescription until you reach the Safety Net Threshold. In 2023, the concessional

pharmaceutical co-payment amount was \$7.30 per prescription. The scheme reimburses only standard costs associated with the pharmaceutical concessional co-payment and you will not be reimbursed for any additional amounts to the pharmacist, such as for premium brand medicines.

8. How much is my pharmaceutical allowance?

In 2023, most veterans, whether single or partnered, received a pharmaceutical allowance of \$6.80 per fortnight, or \$177.28 over the full year (365 days in 2023). Other veterans, for example those receiving veterans supplement or MRCA supplement, are assessed as receiving \$6.60 per fortnight, or \$166.86 for the year.

The amount of pharmaceutical allowance can vary from the above figures if the veteran was not in receipt of DVA payments for all of 2023, or if the payment type received changed in 2023, or in cases where a partnered veteran has a partner not receiving income support payments from DVA or Centrelink.

9. What is the Safety Net Threshold?

The Safety Net Threshold is the maximum amount you and your dependent family members pay for prescriptions in a calendar year. After you reach this limit, your medicines are free for the rest of the calendar year. The Safety Net Threshold for concessional beneficiaries in 2023 was \$262.80. This calculation is based on a maximum issue of 36 prescriptions at \$7.30 per script.

10. What is the Discount co-payment?

From 1 January 2016, pharmacists have been able to discount co-payment amounts by up to one dollar for each dispensed medicine. Pharmacists can choose whether to offer a discount, and the amount up to the one dollar maximum. A discounted co-payment supply will count for safety net purposes and the amount accruing to the safety net threshold is the amount charged. Talk to your pharmacist who will assist you with safety net entitlements.

11. How much will I get paid?

The amount you will get reimbursed will depend on the amount you have paid for prescribed medicines over the year up to a maximum of 36 prescriptions.

12. How will the reimbursement be calculated?

The reimbursement amount equals the total cost of the concessional pharmaceutical co-payments paid by each eligible veteran in a calendar year up to the maximum number of prescriptions eligible within the Safety Net Threshold, minus the total annual value of the pharmaceutical allowance received.

The following examples show how the VPRS will be calculated in two common scenarios.

a) Example 1 – Single veteran

Chris is a single veteran who paid the concessional co-payment at \$7.30 for each of their pharmaceutical scripts in 2023, totalling \$292.00 (40 scripts). The Pharmaceutical Allowance (PA) they received in their Veterans Supplement was \$177.28 for the year.

The difference between what Chris paid for and the PA they received is \$94.72 (\$292.00 less \$177.28). Chris will therefore receive a VPRS reimbursement of \$94.72.

b) Example 2 – Married veteran

Bill is a married war veteran and he and his spouse Mel receive a combined PA of \$177.28 for the year in their Pension Supplement.

In 2023, Bill paid the concessional co-payment at \$5.80 per script for a total of \$232 (40 scripts), with his pharmacy applying a \$1 discount to the co-payment for each script. Mel also paid a number of concessional co-payments for their own medications, until they reached the \$262.80 Safety Net.

The difference between what Bill paid for and the PA he received is \$54.72 (\$232 less \$177.28). Bill will therefore get a VPRS reimbursement of \$54.72.

13. What is the maximum VPRS reimbursement amount received?

If the eligible veteran reaches the safety net, the maximum received in VPRS reimbursement for the 2023 calendar year, if the notional PA component is:

- for the Pensions Supplement – is \$149.12 (\$326.40 less \$177.28 per annum)
- for the Veterans, MRCA and DRCA Supplements – is \$159.54 (\$262.80 less \$166.86 per annum)

14. Why do you include my partner's pharmaceutical allowance when calculating my reimbursement?

The VPRS calculation accommodates the different economic circumstances of singles and couples and is consistent with how broader entitlements are managed.

The Safety Net Threshold for 2023 was \$262.80, and this same threshold applies to either a single person or a family unit. For a partnered veteran, the medications used by both the veteran and their spouse count towards the same Safety Net. So the family unit will likely reach the Safety Net quicker and receive free prescriptions sooner than a single veteran would.

The partnered veteran is, in effect, treated like a single veteran in terms of the VPRS calculation. This is the most equitable and simple arrangement for calculating payments under the VPRS.

15. Does the reimbursement include prescriptions used by my partner?

No. Only prescriptions paid and used by the veteran will count for the VPRS.

16. What happens to the VPRS payment if the co-payment is increased?

Any future changes in the value of the concessional pharmaceutical co-payment, the pharmaceutical allowance and the level of the Safety Net Threshold will be accommodated by the VPRS.

17. How will the reimbursements be paid?

Any reimbursement will be paid into the veteran's bank account where current DVA payments are made.

18. Is the VPRS reimbursement payable to people outside Australia?

The VPRS reimbursement only applies to out of pocket expenses for pharmaceuticals purchased in Australia. The VPRS reimbursement can be paid if you live outside of Australia, but only if you lived in Australia for part of a calendar year and purchased pharmaceuticals using your Veteran Gold or White Card while you resided in Australia.

19. Does the scheme reimburse deceased estates?

Yes, should an eligible veteran die, any VPRS reimbursement will be paid approximately two weeks after notification of death into the bank account of the deceased veteran.

20. Is the reimbursement taxable or means tested?

No, reimbursement payments are non-taxable and not subject to the income test.

21. Where can I get more information about the VPRS?

Clients can start their on-line exploration for VPRS information by doing a search for “vprs” at DVA’s website or via www.dva.gov.au/vprs

Below are direct links on VPRS and related topics, including how to confirm whether you have QS, on the Department’s web site.

- Veterans’ Pharmaceutical Reimbursement Scheme – www.dva.gov.au/vprs
- Repatriation Pharmaceutical Benefits Scheme – www.dva.gov.au/health-and-treatment/help-cover-healthcare-costs/manage-medicine-and-keep-costs-down/concessional
- Veteran Gold Card – www.dva.gov.au/gold-card
- Veteran White Card – www.dva.gov.au/white-card
- Qualifying Service – <https://www.dva.gov.au/qs> or www.dva.gov.au/qualifying-service