Veterans’ Pharmaceutical Reimbursement Scheme

Overview

This Factsheet describes who is entitled under the Veterans’ Pharmaceutical Reimbursement Scheme (VPRS) and how it will operate.

What is the Veterans’ Pharmaceutical Reimbursement Scheme?

The VPRS is a new scheme to reimburse eligible veterans out of pocket costs associated with the concessional pharmaceutical copayment.

Who is eligible?

Veterans under the Veterans’ Entitlements Act 1986 who have a Gold Card or White Card, and are in receipt of a DVA disability pension and who have qualifying service, or veterans with equivalent status under the Military Rehabilitation and Compensation Act 2004.

What if I receive disability pension but don't know my qualifying service status?

If you have previously applied for service pension, a DVA Commonwealth Seniors Health Card or Gold Card for veterans aged 70 or older, DVA will have already determined your qualifying service status. If you have not previously applied for any of these, you will need to apply to DVA to make a determination on your qualifying service status.

How does the Scheme work?

The VPRS will provide an annual reimbursement to eligible veterans when their total cost of concessional pharmaceutical copayments exceeds the value of the pharmaceutical allowance component of the Pension, Veterans and MRCA Supplements in a calendar year.

What is the pharmaceutical allowance?

Since September 2009 the pharmaceutical allowance has been paid as part of the Pension, Veterans or MRCA Supplements. The Pension Supplement is indexed for inflation differently to the Veterans and MRCA Supplements, and because of this the intrinsic value of the pharmaceutical allowance component will vary over time between the different supplements. Importantly, the VPRS accommodates the different indexation settings to correctly value the pharmaceutical allowance when calculating reimbursements.
What is the safety net threshold?

For the purpose of the VPRS, the Repatriation Pharmaceutical Benefits Scheme (RPBS) safety net threshold is the number of prescriptions required by a veteran (or the veteran’s family unit) before pharmaceuticals become free for the remainder of the calendar year.

How is the reimbursement calculated?

The reimbursement amount equals the total cost of the concessional pharmaceutical copayments paid by each eligible veteran in a calendar year up to the safety net threshold, minus the total annual value of the pharmaceutical allowance component of the Pension, Veterans or MRCA Supplement.

Is the reimbursement for all pharmaceutical costs, or just those related to accepted disabilities?

The VPRS will reimburse out of pocket pharmaceutical costs relating to all conditions for eligible veterans with Gold Cards. Eligible veterans with White Cards will be reimbursed for pharmaceuticals relating to their accepted disabilities only.

When will the Scheme start and when will the first reimbursements be made?

The VPRS will commence on 1 January 2012. As the safety net threshold operates on a calendar year basis, reimbursement for 2012 costs will be made in the first quarter of 2013.

What is a Prescription Record Form?

You use a Prescription Record Form (PRF) to keep track of how much you and your dependent family have spent on medicines for safety net entitlement purposes.

It is your responsibility to keep track of how much has been spent and to know when the safety net limit has been reached. Maintenance of the PRF is important to enable an accurate calculation of the reimbursement and to ensure you get the full benefit of the VPRS and other RPBS entitlements.

Is the reimbursement taxable or means tested?

No, reimbursement payments will be tax exempt and not subject to the income test.

Will I have to make a claim?

No claim is necessary. DVA records are used to monitor your access to pharmaceuticals through the RPBS. The reimbursement amount will be calculated automatically by DVA and paid into your normal bank account.
What if pharmaceutical copayments rise or the safety net threshold is adjusted in future years?

The calculation of the reimbursement amount will take into account both the cost of the pharmaceutical copayment and the number of scripts required to reach the safety net threshold.

Will veterans be reimbursed for the additional cost of Brand Price premium pharmaceuticals?

No, the scheme will reimburse only standard costs associated with the pharmaceutical concessional copayment.

Other Factsheets

Other Factsheets related to this topic include:

- HSV92 Repatriation Pharmaceutical Benefits Scheme (RPBS)
- HSV60 Repatriation Health Card – For All Conditions (Gold)
- HSV61 Repatriation Health Card – For Specific Conditions (White)
- HSV69 Repatriation Pharmaceutical Benefits Card (Orange)

More information

All DVA Factsheets are available from DVA offices, and on the DVA website at www.dva.gov.au.

You can phone DVA for the cost of a local call on 133 254 or 1800 555 254 for country callers.

Use a normal landline phone if you can. Mobile phone calls may cost you more.

You can send an email to DVA at: GeneralEnquiries@dva.gov.au.

You can get more help from any DVA office.