

guidance information line at (202) 622-1559 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The temporary regulations (TD 9723) that are the subject of this correction are under section 432(e)(9) of the Internal Revenue Code.

Need for Correction

As published, the temporary regulations (TD 9723) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

■ Accordingly, the temporary regulations (TD 9723), that are subject to FR Doc. 2015-14945, are corrected as follows:

- 1. On page 35207, in the preamble, third column, third line, under paragraph heading “*Paperwork Reduction Act*,” the language “procedure pursuant to the” is corrected to read “comment pursuant to the”.
- 2. On page 35210, in the preamble, second column, ninth line, under paragraph heading “*Suspension Applications*,” the language “is eligible for the suspensions and has” is corrected to read “is eligible for the suspension and has”.
- 3. On page 35215, in the preamble, third column, third line, under paragraph heading “*Contact Information*,” the language “Department of the Treasury at (202)” is corrected to read “Department of the Treasury MPRA guidance information line at (202)”.

Martin V. Franks,

Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).

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DEPARTMENT OF DEFENSE

Office of the Secretary

32 CFR Part 199

[Docket ID: DOD-2015-HA-0062]

RIN 0720-AB64

Civilian Health and Medical Program of the Uniformed Services (CHAMPUS)/TRICARE: Refills of Maintenance Medications Through Military Treatment Facility Pharmacies or National Mail Order Pharmacy Program

AGENCY: Office of the Secretary, Department of Defense (DoD).

ACTION: Interim final rule.

SUMMARY: This interim final rule implements Section 702 (c) of the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015 which states that beginning October 1, 2015, the pharmacy benefits program shall require eligible covered beneficiaries generally to refill non-generic prescription maintenance medications through military treatment facility pharmacies or the national mail-order pharmacy program. Section 702(c) of the National Defense Authorization Act for Fiscal Year 2015 also terminates the TRICARE For Life Pilot Program on September 30, 2015. The TRICARE For Life Pilot Program described in Section 716 (f) of the National Defense Authorization Act for Fiscal Year 2013, was a pilot program which began in March 2014 requiring TRICARE For Life beneficiaries to refill non-generic prescription maintenance medications through military treatment facility pharmacies or the national mail-order pharmacy program. TRICARE for Life beneficiaries are those enrolled in the Medicare wraparound coverage option of the TRICARE program. This interim rule includes procedures to assist beneficiaries in transferring covered prescriptions to the mail order pharmacy program. This regulation is being issued as an interim final rule in order to comply with the express statutory intent that the program begin October 1, 2015. Public comments, however, are invited and will be considered for possible revisions to this rule for the second year of the program.

DATES: This rule is effective August 6, 2015. Written comments received at the address indicated below by October 5, 2015 will be considered and addressed in the final rule.

ADDRESSES: You may submit comments, identified by docket number and/or Regulatory Information Number (RIN) number and title, by any of the following methods:

Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

Mail: Department of Defense, Office of the Deputy Chief Management Officer, Directorate for Oversight and Compliance, Regulatory and Audit Matters Office, 9010 Defense Pentagon, Washington, DC 20301-9010.

Instructions: All submissions received must include the agency name and docket number or RIN for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public

viewing on the Internet at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT: Dr. George Jones, Chief, Pharmacy Operations Division, Defense Health Agency, telephone 703-681-2890.

SUPPLEMENTARY INFORMATION:

A. Executive Summary

1. Purpose

The legal authority for this rule is Section 702 of the National Defense Authorization Act for Fiscal Year 2015.

This interim final rule implements Section 702 (c) of the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015 which states that beginning October 1, 2015, the pharmacy benefits program shall require eligible covered beneficiaries generally to refill non-generic prescription maintenance medications through military treatment facility pharmacies or the national mail-order pharmacy program. Eligible covered beneficiaries are defined in sections 1072 (5) and 1086 of title 10, United States Code.

2. Summary of the Major Provisions of the Interim Final Rule

TRICARE beneficiaries are generally required to obtain all prescription refills for select non-generic maintenance medications from the TRICARE mail order program (where beneficiary copayments are much lower than in retail pharmacies) or military treatment facilities (where there are no copayments). Covered maintenance medications are those prescribed for chronic, long-term conditions that are taken on a regular, recurring basis, but do not include medications to treat acute conditions. TRICARE will follow best commercial practices, including that beneficiaries will be notified of the new rules and mechanisms to allow them to receive adequate medication during their transition to mail for their refills. The statute and rule authorize a waiver of the mail order requirement based on patient needs and other appropriate circumstances.

3. Costs and Benefits

The effect of the statutory requirement, implemented by this rule, is to shift a volume of prescriptions from retail pharmacies to the mail order pharmacy program. This will produce savings to the Department of approximately \$88M per year and savings to beneficiaries of

approximately \$16.5 million per year in reduced copayments.

B. Background

In Fiscal Year 2014, 61 million prescriptions were filled for TRICARE beneficiaries through the TRICARE retail pharmacy benefit at a net cost of \$5.1 billion to the government. On average, the government pays 32% less for brand name maintenance medication prescriptions filled in the mail order program or military treatment facility pharmacies than through the retail program. Not all prescriptions filled through the retail program are maintenance/chronic medications. However, there is potential for significant savings to the government by shifting a portion of TRICARE prescription refills to the mail order program or military treatment facility pharmacies. In addition, there will be significant savings to TRICARE beneficiaries who will receive up to a 90 day refill at no charge for generics in the mail order program compared to \$8 copay for up to a 30 day in retail. The savings is even greater for brand-name prescriptions: \$16 for up to 90 days in mail versus \$20 for up to 30 days in retail, meaning that for a 90-day supply the copayment comparison is \$16 in mail to \$60 in retail. The non-formulary copayment comparison is \$46 for up to 90 days in mail compared to \$46 for up to 30 days in retail.

C. Provisions of the Interim Final Rule

The interim final rule revises paragraph (r) to 32 CFR 199.21. Paragraph (r) establishes rules for the new program of refills of maintenance medications for TRICARE through the mail order pharmacy program. Paragraph (r)(1) requires that for covered maintenance medications, TRICARE beneficiaries are generally required to obtain their prescription refills through the national mail order pharmacy program or through military treatment facility pharmacies. TRICARE beneficiaries are defined in sections 1072 (5) and 1086 of title 10, United States Code, including those enrolled in the Medicare wraparound coverage option of the TRICARE program.

Paragraph (r)(2) provides that the Director, Defense Health Agency will establish, maintain, and periodically revise and update a list of covered maintenance medications, which will be accessible through the TRICARE Pharmacy Program Web site and by telephone through the TRICARE Pharmacy Program Service Center. Each medication included on the list will be a medication prescribed for a chronic, long-term condition that is taken on a

regular, recurring basis. It will be clinically appropriate and cost effective to dispense the medication from the mail order pharmacy. It will be available for an initial filling of a 30-day or less supply through retail pharmacies, and will be generally available at military treatment facility pharmacies for initial fill and refills. It will be available for refill through the national mail-order pharmacy.

Paragraph (r)(3) provides that a refill is a subsequent filling of an original prescription under the same prescription number or other authorization as the original prescription, or a new original prescription issued at or near the end date of an earlier prescription for the same medication for the same patient.

Paragraph (r)(4) provides that a waiver of the general requirement to obtain maintenance medication prescription refills from the mail order pharmacy or military treatment facility pharmacy will be granted in several circumstances. There is a blanket waiver for prescription medications that are for acute care needs. There is also a blanket waiver for prescriptions covered by other health insurance. There is a case-by-case waiver to permit prescription maintenance medication refills at a retail pharmacy when necessary due to personal need or hardship, emergency, or other special circumstance, for example, for nursing home residents. This waiver is obtained through an administrative override request to the TRICARE pharmacy benefits manager under procedures established by the Director, Defense Health Agency.

Paragraph (r)(5) establishes procedures for the effective operation of the program. The Department will implement the program by utilizing best commercial practices to the extent practicable. An effective communication plan that includes efforts to educate beneficiaries in order to optimize participation and satisfaction will be implemented. Beneficiaries with active prescriptions for a medication on the maintenance medication list will be notified that their medication is covered under the program. Beneficiaries will be advised that they may receive up to two 30 day fills at retail while they transition their prescription to the mail order program. The beneficiary will be contacted after each of these two fills reminding the beneficiary that the prescription must be transferred to mail. Requests for a third fill at retail will be blocked and the beneficiary advised to call the pharmacy benefits manager (PBM) for assistance. The PBM will provide a toll free number to assist beneficiaries in transferring their

prescriptions from retail to the mail order program. With the beneficiary's permission, the PBM will contact the physician or other health care provider who prescribed the medication to assist in transferring the prescription to the mail order program. In any case in which a beneficiary is required to obtain a maintenance medication prescription refill from the national mail-order pharmacy program and attempts instead to refill such medications at a retail pharmacy, the PBM will also maintain the toll free number to assist the beneficiary. This assistance may include information on how to request a waiver or in taking any other appropriate action to meet the beneficiary's needs and to implement the program. The PBM will ensure that a pharmacist is available at all times through the toll-free telephone number to answer beneficiary questions or provide other appropriate assistance.

Paragraph (r)(6) provides that the program will remain in effect indefinitely with any adjustments or modifications required by law.

D. Regulatory Procedures

Executive Order 12866, "Regulatory Planning and Review" and Executive Order 13563, "Improving Regulation and Regulatory Review"

Executive Orders (EOs) 12866 and 13563 require that a comprehensive regulatory impact analysis be performed on any economically significant regulatory action, defined primarily as one that would result in an effect of \$100 million or more in any one year. The DoD has examined the economic and policy implications of this interim rule and has concluded that this is not an economically significant regulatory action under the Executive Order. The program rule will produce savings to the Department of approximately \$88M per year and savings to beneficiaries of approximately \$16.5 million per year in reduced copayments. This rule has been designated a "significant regulatory action," although not economically significant, under section 3(f) of Executive Order 12866. Accordingly, the rule has been reviewed by the Office of Management and Budget (OMB).

Congressional Review Act, 5 U.S.C. 801, et seq.

Under the Congressional Review Act, a major rule may not take effect until at least 60 days after submission to Congress of a report regarding the rule. A major rule is one that would have an annual effect on the economy of \$100 million or more or have certain other impacts. This interim rule is not a major

rule under the Congressional Review Act.

Section 202, Pub. L. 104-4, "Unfunded Mandates Reform Act"

This rule does not contain a Federal mandate that may result in the expenditure by State, local and tribal governments, in aggregate, or by the private sector, of \$100 million or more (adjusted for inflation) in any one year.

Public Law 96-354, "Regulatory Flexibility Act" (5 U.S.C. 601)

The Regulatory Flexibility Act (RFA) requires that each Federal agency prepare and make available for public comment, a regulatory flexibility analysis when the agency issues a regulation which would have a significant impact on a substantial number of small entities. This interim rule does not have a significant impact on a substantial number of small entities.

Public Law 96-511, "Paperwork Reduction Act" (44 U.S.C. Chapter 35)

This interim rule contains no new information collection requirements subject to the Paperwork Reduction Act (PRA) of 1995 (44 U.S.C. 3501-3511).

Executive Order 13132, "Federalism"

This interim rule does not have federalism implications, as set forth in Executive Order 13132. This rule does not have substantial direct effects on the States; the relationship between the National Government and the States; or the distribution of power and responsibilities among the various levels of Government.

Public Comments Invited

This rule is being issued as an interim final rule based on the statutory requirement of an October 1, 2015 start date. DoD invites public comments on all provisions of the rule. They will be considered for possible revisions to the program for the second and subsequent years of operation.

List of Subjects in 32 CFR Part 199

Administrative practice and procedure, Claims, Dental health, Fraud, Health care, Health insurance, Individuals with disabilities, Military personnel.

Accordingly, 32 CFR part 199 will be amended as follows:

PART 199—[AMENDED]

■ 1. The authority citation for part 199 continues to read as follows:

Authority: 5 U.S.C. 301; 10 U.S.C. chapter 55.

■ 2. Section 199.21 is amended by revising paragraph (r), to read as follows:

§ 199.21 TRICARE Pharmacy Benefits Program.

* * * * *

(r) *Refills of maintenance medications for eligible covered beneficiaries through the mail order pharmacy program*—(1) *In general.* Consistent with section 702 of the National Defense Authorization Act for Fiscal Year 2015, this paragraph requires that for covered maintenance medications, beneficiaries are generally required to obtain their prescription through the national mail-order pharmacy program or through military treatment facility pharmacies. For purposes of this paragraph, eligible covered beneficiaries are those defined under sections 1072 and 1086 of title 10, United States Code.

(2) *Medications covered.* The Director, DHA, will establish, maintain, and periodically revise and update a list of covered maintenance medications subject to the requirement of paragraph (r)(1) of this section. The current list will be accessible through the TRICARE Pharmacy Program Internet Web site and by telephone through the TRICARE Pharmacy Program Service Center. Each medication included on the list will meet the following requirements:

(i) It will be a medication prescribed for a chronic, long-term condition that is taken on a regular, recurring basis.

(ii) It will be clinically appropriate to dispense the medication from the mail order pharmacy.

(iii) It will be cost effective to dispense the medication from the mail order pharmacy.

(iv) It will be available for an initial filling of a 30-day or less supply through retail pharmacies.

(v) It will be generally available at military treatment facility pharmacies for initial fill and refills.

(vi) It will be available for refill through the national mail-order pharmacy program.

(3) *Refills covered.* For purposes of the program under paragraph (r)(1) of this section, a refill is:

(i) A subsequent filling of an original prescription under the same prescription number or other authorization as the original prescription; or

(ii) A new original prescription issued at or near the end date of an earlier prescription for the same medication for the same patient.

(4) *Waiver of requirement.* A waiver of the general requirement to obtain maintenance medication prescription refills from the mail order pharmacy or

military treatment facility pharmacy will be granted in the following circumstances:

(i) There is a blanket waiver for prescription medications that are for acute care needs.

(ii) There is a blanket waiver for prescriptions covered by other health insurance.

(iii) There is a case-by-case waiver to permit prescription maintenance medication refills at a retail pharmacy when necessary due to personal need or hardship, emergency, or other special circumstance. This waiver is obtained through an administrative override request to the TRICARE pharmacy benefits manager under procedures established by the Director, DHA.

(5) *Procedures.* Under the program established by paragraph (r)(1) of this section, the Director, DHA will establish procedures for the effective operation of the program. Among these procedures are the following:

(i) The Department will implement the program by utilizing best commercial practices to the extent practicable.

(ii) An effective communication plan that includes efforts to educate beneficiaries in order to optimize participation and satisfaction will be implemented.

(iii) Beneficiaries with active retail prescriptions for a medication on the maintenance medication list will be notified that their medication is included under the program. Beneficiaries will be advised that they may receive two 30 day fill at retail while they transition their prescription to the mail order program.

(iv) Requests for a third fill at retail will be blocked and the beneficiary advised to call the pharmacy benefits manager (PBM) for assistance.

(v) The PBM will provide a toll free number to assist beneficiaries in transferring their prescriptions from retail to the mail order program. With the beneficiary's permission, the PBM will contact the physician or other health care provider who prescribed the medication to assist in transferring the prescription to the mail order program.

(vi) In any case in which a beneficiary required under this paragraph (r) to obtain a maintenance medication prescription refill from national mail order pharmacy program and attempts instead to refill such medications at a retail pharmacy, the PBM will also maintain the toll free number to assist the beneficiary. This assistance may include information on how to request a waiver, consistent with paragraph (r)(4)(iii) of this section, or in taking any other appropriate action to meet the

beneficiary's needs and to implement the program.

(vii) The PBM will ensure that a pharmacist is available at all times through the toll-free telephone number to answer beneficiary questions or provide other appropriate assistance.

(6) This program will remain in effect indefinitely with any adjustments or modifications required by law.

Dated: July 31, 2015.

Patricia L. Toppings,
OSD Federal Register Liaison Officer,
Department of Defense.

[FR Doc. 2015-19196 Filed 8-5-15; 8:45 am]

BILLING CODE 5001-06-P

DEPARTMENT OF EDUCATION

34 CFR Chapter III

[Docket ID ED-2015-OSERS-0061]

Final Priority and Definitions; Demonstration and Training Program: Career Pathways for Individuals With Disabilities

AGENCY: Office of Special Education and Rehabilitative Services, Department of Education.

ACTION: Final priority and definitions.

[CFDA Number: 84.235N.]

SUMMARY: The Assistant Secretary for Special Education and Rehabilitative Services announces a priority designed to demonstrate promising practices in the use of career pathways to improve employment outcomes for individuals with disabilities. Specifically, this priority will establish model demonstration projects that engage State vocational rehabilitation (VR) agencies in partnerships with other entities to develop and use career pathways to help individuals with disabilities eligible for VR services, including youth with disabilities, acquire necessary marketable skills and recognized postsecondary credentials. The Assistant Secretary may use this priority for competitions in fiscal year (FY) 2015 and later years.

DATES: This priority and these definitions are effective September 8, 2015.

FOR FURTHER INFORMATION CONTACT: Felipe Lulli, U.S. Department of Education, 400 Maryland Avenue SW., Room 5042, Potomac Center Plaza (PCP), Washington, DC 20202-2800. Telephone: (202) 245-7425 or by email: felipe.lulli@ed.gov.

If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call the Federal Relay

Service (FRS), toll free, at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

Purpose of Program: The purpose of the Demonstration and Training Program is to provide competitive grants to, or enter into contracts with, eligible entities to expand and improve rehabilitation and other services authorized under the Rehabilitation Act of 1973, as amended (Rehabilitation Act), or to further the purposes and policies in sections 2(b) and 2(c) of the Rehabilitation Act by supporting activities that increase the provision, extent, availability, and scope, as well as improve the quality of rehabilitation services under the Rehabilitation Act.

Program Authority: 29 U.S.C. 773(b).

Applicable Program Regulations: 34 CFR part 373.

We published a notice of proposed priority and definitions for this competition in the **Federal Register** on May 15, 2015 (80 FR 27874). That notice contained background information and our reasons for proposing the particular priority and definitions. There are differences between the proposed priority and the final priority which are explained in the *Analysis of Comments and Changes* section of this notice.

Public Comment: In response to our invitation in the notice of proposed priority and definitions, two parties submitted comments relevant to this priority.

Generally, we do not address technical and other minor changes.

Analysis of the Comments and Changes: An analysis of the comments and of any changes in the priority and definitions since publication of the notice of proposed priority follows.

Comment: One commenter inquired whether there were any Federal requirements for the legal or programmatic structure of an eligible consortium. We also identified a second issue implicit in the commenter's question, namely, when it is appropriate for VR agencies to apply as a group.

Discussion: We agree that the reference to "a consortium of State VR agencies" in the Eligible Applicants section of the proposed priority requires further definition. The Education Department General Administrative Regulations (EDGAR) at 34 CFR 75.127-129 authorize eligible entities to apply as a group. According to EDGAR, groups may take various forms, including consortia, provided that the constituent members are eligible entities and that the eligible applicants formally bind themselves to all the application statements and assurances, describe the activities they plan to conduct, and

assume responsibility for compliance with all relevant Federal requirements. Accordingly, the final priority incorporates references to these requirements in the Eligibility and Application Requirements sections.

We also agree that further clarification is needed regarding the circumstances in which application by a group would be appropriate. Thus, we have added a requirement that groups must serve a defined metropolitan area or distinct population that exists across State lines.

Changes: In the Eligible Applicants section, we updated the final priority to use the broader term "group" instead of "consortium." With regard to the circumstances for group applications, we have updated the Eligible Applicants section of the final priority to specify that State VR agencies may apply as a group if they serve individuals in a distinct geographic area shared by two or more adjacent States (*e.g.*, metropolitan areas, targeted occupational clusters or related industries whose employment base extends beyond a single adjacent State).

Also, in the Application Requirements paragraph (c)(3), we added a new requirement that State VR agencies applying as a group identify their shared geographic area and describe how they will coordinate their project activities within that area. In paragraph (e) of the Application Requirements section, we stipulate that applications by groups must include a copy of the members' signed agreement designating the agency authorized to sign the application on behalf of the group; binding each agency to every statement, assurance and obligation in the application; and detailing the agencies' assigned project roles and responsibilities.

Comment: One commenter stated that the project requirements in the proposed priority would not ensure that grantees provide individuals with the kind of career development support they need for success in a career pathway. The commenter described the comprehensive career development process in terms of three distinct elements: the individual's self-exploration of career-related skills, interests, and values; exploration of potential occupations and career goals aligned with the individual's skills, interests, and values; and career planning and management to achieve the individual's chosen employment and personal goals. The commenter stated that career planning and management may involve career-specific skills, job search skills, and soft skills involving communication,