



**Louisiana Department of Health**  
**Health Plan Advisory 19-2**  
**January 31, 2019**

**Pharmacy Copay Threshold**

According to C.F.R. 447.56(f)(1), Medicaid cost sharing incurred by all individuals in a Medicaid household may not exceed an aggregate limit of 5 percent of the family's income applied on a quarterly or monthly basis.

CMS has approved the following two-fold plan for Louisiana:

1. Zero copay tier (April 2019 - December 2019): Based on Medicaid historical data, it was determined that most individuals at risk of exceeding the 5 percent threshold have a household income equal to or less than \$800 per month. To eliminate this risk in the short term, a \$0 drug copay tier for enrollees with monthly household income from \$0 - \$800 shall be established. DXC will transmit a monthly file (prior to the morning of the first day of each month) to the managed care organizations (MCO) that contains enrollees who could be subject to copay, unless other copay exemptions exist. All current copay exemptions shall continue to be applied.
  - a. File will exclude children under 21 years of age on the first day of the month.
  - b. File will exclude persons with a household income equal to or less than \$800.
  - c. File will exclude persons linked to the plan with a B linkage on the first day of the month.
  - d. File will contain these data elements: original enrollee ID, current enrollee ID and household income amount for members linked to the plan with a P linkage at the beginning of the month.

DXC will generate work day incremental enrollee files (Tuesday, Wednesday, Thursday, Friday and Saturday mornings) that contain new enrollees who are not present on the baseline file, but are added to the plan (P-linkage) retrospectively to the beginning of the month. Work day files may not have any records, but will be sent every work day. MCOs shall introduce this file into their Pharmacy Benefit Manager/Point of Sale systems and apply the existing copay exemptions. If an enrollee does not meet any of those exemptions and they appear on the file, then the MCO will charge a copay. Otherwise, if the enrollee is not included in the file of potential enrollees subject to a copay, the MCO will not charge a copay.

DXC will begin testing the file with the MCOs the first week of February.

From April 1, 2019 - Dec. 31, 2019, LDH will post notifications to alert enrollees of the 5 percent copay threshold. If an enrollee notifies LDH or their MCO that copayment amounts have exceeded the threshold, LDH will reimburse the recipient the amount exceeding 5 percent of the household income.

2. Point of Sale edit (effective Jan. 1, 2020): MCOs will implement a Point of Sale edit that will apply a per-enrollee maximum monthly copayment and turn off cost sharing when maximum copayments are met. All current copay exemptions shall still be applied. DXC will add a field to the file with the per-enrollee maximum monthly copayment. This will eliminate all of the risk for enrollees to exceed the 5 percent aggregate family limit.