

Wednesday, January 10, 2024

9:00 a.m.

**Louisiana Independent Pharmacies Association
543 Spanish Town Road
Baton Rouge, LA 70802**

Name	Committee Attendance	Attendance
Dr. Ralph Abraham	Louisiana Department of Health	Present
M.J. Terrebonne	Pharmacist (Senate Committee on Health & Welfare)	Present
Kim Wixson	Louisiana Pharmacists Association	Present
Nikki Hollier	Louisiana Board of Pharmacy	Absent
Kim Sullivan	Louisiana Department of Health	Present
Sue Fontenot	Louisiana Department of Health	Present
Dana Antoon	Louisiana Board of Pharmacy	Absent
Dr. Stewart Gordon	Physician (Senate Committee on Health & Welfare)	Present
Doug Boudreaux	Pharmacist (House Committee on Health & Welfare)	Absent
Randal Johnson	Louisiana Independent Pharmacies Association	Present
Dr. Wanda Thomas	Physician (House Committee on Health & Welfare)	Present
Jeff Gaude	National Association of Chain Drug Stores	Present
Pam Reed	LA Alliance of Retail Pharmacies	Present
Zoom Attendance		Daisy DiMaggio, Charlie Jones, Greg Poret, Lisa's iPhone, Michelle, Nicholas's iPhone, Errol Duplantis, Kyle Stevens, Katie

- **Call to Order**
 - The meeting was called to order at 9:05 a.m. by M.J. Terrebonne.
- **Introductions and Quorum Determination**
 - A quorum was confirmed and introductions were held.
- **Review and Approval of the December 13th meeting minutes**
 - The December 13th meeting minutes were approved by Randal Johnson and seconded by Kim Wixson. The motion passed.

- **Magellan Single PBM Update**

- LDH Response: We meet with Magellan and the MCOs twice a week.
- Randal Johnson: There are copays on nursing home recipients. We have reported this to Magellan. This is a recent report.
- LDH Response: The copay file were sent to Magellan, and by January 2nd Magellan had the files uploaded. Supposedly, this was resolved.
- Kim Wixson: There are still some weird copays (\$0.70), as of January 8th.
- LDH Response: We will look into this, since we were not aware.
- Daisy DiMaggio: These inpatient rehab facilities do not really fall under the resident codes. This is causing an issue with private insurance, as well as Medicaid. Unfortunately, one of the facilities we deal with just went 24 hours, and we are not getting reimbursed for what's being disbursed through there.
- LDH Response: Please send a specific email to Kimberly Sullivan.
- M.J. Terrebonne: At the last meeting there were some concerns about third party vendors.
- LDH: We are still working with the MCOs and trying to get all the TPL files straight. Some of the MCOs weren't communicating with HMS. We had a TPL contractor issue, not just Magellan. The MCO's were handling this themselves.
- Emily Ragland: Our call center would get a call and receive a TPL rejection. We have a four hour window for call to payer. Previously, we were sending any findings to HMS.
- LDH: It seems HMS was not doing anything with the information they were receiving. HMS won the old and new RFP. This needs to be looked into. Magellan is sending weekly files of overrides to HMS.
- Randal Johnson: We are very concerned about pricing on prescription drugs. We are concerned about what this will do to the state budget.
- LDH: We have an independent consultant looking at the MAC rates that were paid by MMA. We agree, we think something is wrong. We have all the claims and we have given this to our third party consultant.
- Randal Johnson: There's a big concern. Why are we enriching the chain drug stores tremendously? We are now more than two months into this contract.
- LDH: If they did mess something up, they need to go back into those claims and fix this.
- Randal Johnson: I am concerned about what this means for the budget.
- LDH Legal: The contract states the Magellan is responsible for any errors they make. In the end, the state would be made whole.
- Randal Johnson: What do we do for the small business pharmacies?
- Emily Ragland: The biggest change was in the MAC list, around the end of November. Major adjustment occurred. We have witnessed improvement. We get weekly MAC list from MMA. MMA said this is their regular course of business.
- Randal Johnson: Do we know how they are treating the different types of pharmacies?
- LDH: Local pharmacies should be getting the fee for service rate.

- LDH Legal: The concern is the MAC is higher than the fee for service rate. The MAC is out of whack with what's in our contract.
- LDH: I have not been told by my staff that we have a budget issue.
- M.J. Terrebonne: Do we have a report we are spending by month?
- LDH: This first few months you will see the increase on the MAC side. After the first month, the MCOS all came to the department.
- Randal Johnson: Could we ask for the state to give us access to the pricing for those NDC's in excel?
- Dr. Abraham: Yes, whatever you need.
- Dr. Stewart Gordon: Do we have a timeline?
- LDH: MAC rates were always proprietary with the previous MCO PBMs. We didn't have their MAC rates. We can ask Magellan and see what they say. They have to give us whatever we want.
- LDH Legal: If our Secretary would like us to share this information.
- Dr. Abraham: Yes, share everything.
- LDH: The encounters have not been accepted, yet. The MCOS are getting claims files. On our side, we don't have the encounters, yet. They were in production this week. Gainwell can only accept 60,000 claims per day.
- Emily Ragland: We are in round four of six. We are getting close to the catch-up period.
- Dr. Abraham: Patients can't get their prescriptions and patients can't afford their prescriptions. If patients have to wait thirty days, to Randal's point; yes, this is definitely going to be a budget issue. We have to get on this quick. I don't know why they got behind in the first place. Whoever checks that box, let me know, and I will make a call. Real-time information is asking too much. I don't think a week or ten days is asking too much. I see this every day in my poor and unhealthy patients who can't get their medication.
- LDH: There is an administrative savings with the Single MCO PBM. This is coming from the actuaries. Each of them had a contractor PBM they chose. The estimated savings was 2.3 million dollars per month. There wasn't going to be a savings on drug expenditures. The first couple of months, there has definitely been an expenditures increase. We have a guarantee from Magellan, they will get our money or get the money from the MCOs.
- Errol Duplantis: This is sounding familiar from other state entities. Now we know that MAC payments are being abused. On brand name drugs, in my drug store, five brand drugs that the patient did not get, I lost from \$17-85 dollars. Whether it's generic or brand. It's no reason the prices aren't updated properly. I know folks are working with Louisiana wholesale. There are no reason for these negatives and for patients to go without their medications. Majority of independent pharmacies are saying the same thing. This is too much about the money and not about the flesh and blood of the patient.
- Kim Wixson: Is the ketorolac dispensing problem solved? Showing the dispensing fee as \$10.99.
- LDH: Did you report this to LDH?
- Randal Johnson: We are putting this information in a spreadsheet

- LDH: Can we establish this as a complaint log, instead of bombarding you with information?
- Emily: Can the MCOs have access?
- LDH: If the data has member names, we can't share with other MCO's. If you have suggestions on how to improve the single PDL, please let us know.
- **Update on implementation of professional dispensing fee**
 - LDH: We updated the file on December 28th. Recycles are in different phases. UHC said they're done. We gave them a deadline for the end of January. Some have asked for extensions. Gainwell is one.
- **SIN Report**
 - M.J. Terrebonne: At the last meeting there was a lot of discussion regarding the SIN report.
 - LDH: We have a meeting with the pharmacy team on next week. Kolynda told me someone is reviewing the report. It seems out of whack. I need a meeting with Randal, MJ, and Magellan, regarding what the report is supposed to show. I don't know enough about the report to understand why it's out of whack, to figure out what the issue may be.
 - M.J. Terrebonne: My recommendation is for this report to be standardized.
 - LDH: It needs to be consistent. Who's reviewing this information at Magellan? I would also strongly suggest they write their parameters, so they can say this is what this represents. This is a valuable report.
- **NADAC Prices Effective January 1, 2024**
 - Kim Wixson: NADAC should reflect the new WAC price beginning on the first of the year.
 - Randal Johnson: We are still waiting on NADAC for some of these prices to be updated.
 - LDH: Wholesale acquisition changes first. The ones that dropped were WAC rates and not NADAC.
 - Randal Johnson: We don't pick and choose. It is Myers & Stauffer. The price on their shelf was one hundred-fifty dollars greater than what they're being reimbursed. This happens twice a year, with the implementation of the federal government AMP cap. If you would suspend the NADAC base reimbursement. We can suspend as long as it doesn't change the cost of the program and the aggregate. Could you please suspend the state plan amendment? Suspend the SPA for those particular drugs. This is interfering with the patients having access.
 - Emily Ragland: I think it would be good to hear from pharma. Lilly had a decrease in cost.
 - M.J. Terrebonne: Myers and Stauffer is involved in pharmacy reimbursement. They are very receptive to the council member's comments. It would be great if they could attend the next meeting. What would their recommendation be to these pharmacy providers? We need some resolution to this.
 - Daisy DiMaggio: Everything lies in the NADAC. There are lots of issues. The issue concerning the Lantus and Advair. It's the constant change in the pricing of generics. Now the pharmacy is sitting with a product on the shelf. Part of the issue, is what CMS allows us to do. Ultimately this is how we are getting

reimbursed. Sometimes you lose two and three hundred dollars. The heart of the issues lie in the pivot of NADAC. Brand name drugs present a different issues.

- Randal Johnson: Could Myers and Stauffer reprocess those claims on the NDC's based on claim data and not have the pharmacies go back and have to make those adjustments. When you remove the claim to reprocess, it gives the new price. This will go into a fourteen day payment cycle. The adjustment is lagging. It could be helpful if Magellan would make those adjustments. The vraylar adjustment is in your file. We talk about the WAC price adjustment or vraylar. On the second of January, we had a seventy dollar increase but we are still waiting on the NADAC to be adjusted.
- LDH: This is not on NADAC.
- **Drug Shortages**
 - LDH: If we confirm there is a shortage we will complete an override, whatever needs to be fixed, we fix it.
 - M.J. Terrebonne: Is there a Pharmacy Facts?
 - LDH: No. If the PA submits, it's an automatic approval based on a shortage and still our PA processes in tact so we can have this reporting correctly.
 - M.J. Terrebonne: Nationwide, there is a shortage
 - Jeff Gaude: Who are the two wholesalers?
 - LDH: Morris Dixon and LWD.
 - M.J. Terrebonne: This is a nationwide situation. How long will this last?
 - LDH: We can bring this to CMS. We will definitely discuss this.
 - LDH: This is more of a brand vs generic issue. There are other things we can look into. There are a lot of things which come to us.
 - Randal Johnson: The DEA is involved in some issues and limiting some wholesalers from some drugs at quantities.
 - LDH: We are aware of this. The Medicaid Fraud Control unit gave us the name. Dr. Hussey was going to talk to the DEA. The patients were not receiving this medication because the DEA was not releasing the medication.
 - Randal Johnson: The DEA is not placing the same constraint on generic. This issue is several weeks old. We need some ready response from the department other than Magellan.
 - M.J. Terrebonne: If you can't obtain the brand, can you obtain the generic?
 - Jeff Gaude: If there is a drug shortage but allocation with the DEA. I have two stores that are being limited and cut off.
 - M.J. Terrebonne: In those instances, does the patient travel to another pharmacy?
 - Jeff Gaude: Yes, in hoping that the other pharmacy will take them.
- **Level of Effort**
 - LDH Response: Actual level of effort went into effect 1/1/24. This is ready to roll. They can now be paid for their level of effort.
 - Daisy: Claims are not processing with level of effort. The information sent out by Magellan concerning compounds is full of issues. One of the memos stated compound claims must include two active ingredients. The Pharmacy Facts memo makes reference to using bulk pharmaceutical powders. Unless Medicaid

has changed their policy, bulk pharmaceutical powders is not something we can bill for.

- LDH: Please send your comments to me, Kimberly Sullivan.
- Daisy: Are we saying active pharmaceutical bulk powder will now be reimbursed?
- LDH: If it's in the chart, it will now be covered by managed care, not Medicaid.
- LDH: Managed care can pay for it, not fee for service.
- Daisy: No. Bulk powders are not in the rebate program.
- LDH: Please send us your comment and we will revisit.

- **Medicaid Pharmacy Reimbursement – MCO Perspective**

- Mike Kelly, CFO and Emily Ragland with LHCC.
- Dr. Gordon: Mike and Emily have compared notes with the other five MCO's.
- Mike Kelly, CFO Louisiana Healthcare Connections: May 2019 is when the single PDL went into place. Most MCOS are running about \$140-150 right now PMPM for pharmacy. This is unsustainable. Expenses for us go up 20 percent, ever year. There are other ways where the department meets your budget needs. Some of the major things of why it doubles. Brand cost prescription prior to single PDL was about \$250. Right now most of the mcos are north of \$500 dollars. It has really been the brand cost per script. Typically most MCOs want to be around 90 percent. The brand cost per script is doubling. From a funding standpoint, this has been the number one thing we look at. What do we get paid versus our actual expenses? Every year, the gap is north of 200 million dollars. This most recent year is north of 300 million dollars. This makes things difficult when you're trying to achieve your underwriting game. There are ways you can stabilize the program through risk corridors. Majority of those GLP1's are driving our expense. This by far is the biggest driver. Add in specialty and some Adderall. From a rebate standpoint, the only thing we received now is diabetic testing.
- Emily Ragland: MCO's are feeling the cost. Taking advantage of biosimilars would help. We are feeling the struggle as well. Your copay was \$0.50 cents and now you're getting a \$3.00 copay. Your members feel it too.
- Jeff Gaude: We always lose on the brands. The new increase in the dispensing fee might keep us whole. Most members are saying they can't afford this.
- Dr. Stewart Gordon: The doctors are trying to follow what's on the PDL. I think it's a good thing to have one PDL and in essence I think it's good to have one PBM; at least for all of Medicaid. The wholesalers, MCOs; independent pharmacies are all on the same side of the ledger.
- M.J. Terrebonne: Please email Randal and I the Milliman report.
- LDH: The overall generic dispense rate is 91 percent.
- Mike: I would say for the state, all the MCOs outside of Humana. One percent would mean 100 million dollars.
- Randal Johnson: Who is doing the analysis?
- LDH: Milliman is doing the analysis. Milliman is looking at actual dollars.
- Randal Johnson: I believe everyone thinks the single PDL is good.
- Jeff Gaude: This decreases access and patient outcomes at the end of the day. Which is why we are the worse state for healthcare in the United States.

- LDH: Now is the time to making suggestions and changes with the new administrations come in.
- M.J. Terrebonne: What happened before the single PDL?
- Randal Johnson: We had a preferred drug list. There was the allowance to choose particular drugs by their MCO. We started moving towards the single PDL.
- M.J. Terrebonne: Has there been an analysis on Magellan's part?
- LDH: This is on our list of things for pharmacy; the new administration will have to make a decision. We can get rid of the single PDL, there will be a hole in the Medicaid budget since rebate goes back to the general fund. This is a department decision which needs to be made.
- Randal Johnson: The pharmacies pays these rebates by paying an elevated cost for these drugs. The statute for the Medicaid pharmacy program states, the PBM can't be paid anything other than the transaction fee.
- LDH: This is no longer in the contract fee with Magellan. The bid was \$0.75 cents for the transaction fee.
- Dr. Stewart Gordon: It sounds like the entire Medicaid budget is not built properly to fund the expenses for nurses and hospitals.
- LDH: This is why there will be a hole in the budget.
- Dr. Stewart Gordon: We are the council on Medicaid pharmacy reimbursement. Are we getting close to being able to say, we are able to fix things?
- Randal Johnson: We learn something new every time we come here.
- M.J. Terrebonne: It is my understanding the penalties for the drug manufactures are now looking at biosimilars. I don't know the impact of how this will play into all these expenses and rebates.
- LDH: Expenditures will go down.
- Mike: The potential solution you have generic biosimilars. You add all the pieces together. This is what Milliman can help out with. MCO's expense would go down. The average generic is \$17. The average brand is \$500.
- LDH: This is on my list of things which needs to be discussed with the new administration. We have a meeting with the MCOs on next week.
- Dr. Stewart Gordon.: What can this council do to help fix this?
- LDH: If you could make recommendations on what you think needs to be done and send this to the Secretary, this will help.
- M.J. Terrebonne: Can you share these reports with the council members?
- LDH: I don't believe any of this is confidential.
- **Updated Council Letter to LDH Secretary Ralph Abraham**
 - M.J. Terrebonne: At the last meeting, council members reviewed and approved the updated letter to be sent to Secretary Ralph Abraham. The letter was sent to Drew Maranto. We have not received a reply, yet.
- **Call for Public Testimony**
 - N/A
- **Other Business**
 - Randal Johnson suggested the next meetings be held on Thursday, February 8th and Thursday March 7th.
- **Adjournment**

- The meeting was adjourned at 11:50 a.m. The motion was made by Kim Wixson and seconded by Dr. Stewart Gordon.