

Thursday, March 7, 2024
9:00 a.m.
Louisiana Independent Pharmacies Association
543 Spanish Town Road
Baton Rouge, LA 70802

Name	Committee Attendance	Attendance
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	Present
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	Absent
Pam Reed	LA Alliance of Retail Pharmacies	Present
Zoom Attendance		Rosalind Borders, LIPA Staff, Castellon_Hernan, Monica Guerrriero, Sherri Guilbeau Huval, Tiffany Marshall, Cathy Eagle, Renesha Yarbrough, Kayonna Curtis, Josiah Howell, EL5082, Daisy, C. Joseph Cloud, Greg Poret, Paul, Mark Triplett Ponica Pharmacy, Leslie Pittman, Melwyn Wendt, Mary Spicer, Minh Nguyen, Jeannine Plant, Max, Mary Spicer, Chris Melancon, iPhone, Tammy, Ji Sonnier, David Osborn, Chris Dupre,

- **Call to Order**
 - M.J. Terrebonne called the meeting to order at 9:10 a.m.

- **Introductions and Quorum Determination**
 - A quorum was confirmed and introductions were held.
- **Review and Approval of the February 8th meeting minutes**
 - The February 8th meeting minutes were approved by Dana Antoon and seconded by Dr. Stewart Gordon.
- **Council Recommendations to the Secretary- Draft Letter**
 - M.J. Terrebonne: The council is currently working on updates to the March letter.
 - Randal Johnson: I suggest we wait until the end of the meeting to see if additional updates are needed. We should express concerns about Magellan and the payment issues. Magellan should adhere to the requirements for prompt pay. I think we have to raise the issue of asking there be fairness in the reimbursement process.
 - LDH: For the MAC pricing part, they have adjusted the MAC pricing. We would need a contract amendment to change reimbursement. Magellan can refuse to sign. With the way the contract is written right now, I have no authority to change reimbursement. On the claims, we spend more, but the admin we are saving.
 - Randal Johnson: My suggestion would be we include language to include a strong review of the Magellan contract. It has caused provider abrasion and discrimination.
 - M.J. Terrebonne: I will add some language and email everyone. If everyone says approved, we can send the letter out.
- **Magellan Single PBM Update**
 - LDH Response: Randal notified Kim of an issue this week. There was an issue with the 835 file getting to the PSAOs. Pharmacy first is the one who called in to complain. Pharmacy first was used to getting their information on a Friday. Pharmacy first notified Magellan on the fifth. The tax id did not make it over to the PSAOs. My understanding is all of this was fixed on the fifth when it was reported. We are switching to where the MCOs are handling their own meetings and handle Magellan as their subcontractor.
 - Randal Johnson: some pharmacies received notices and we suspected it was others. I do not know if there are running into a payment concern if they are not handled within those 15 days.
 - LDH: The 835 goes out on a Monday or Tuesday. There should not be a prompt pay issue.
 - Randal Johnson: it was the chain drug stores. They did not get the 835 but they got the money. The PSAOs got the money but they do not know how much to pay each pharmacy. You supplied us with a response where Magellan was updating the pricing on prescription drugs. We are still waiting on this. For Magellan. Are they fully disclosing information or do they not have awareness? We can pull the NADAC adjustment. Based on the list Magellan supplied we are still not seeing a number of drugs on the list.

- LDH: We do not have access to Magellan's system. We have to rely on the report that it is accurate.
- Randal: you gave us the list you had. It had the NDCs.
- LDH: If you have examples of them not being in compliance, please send the information.

- **MAC Pricing Update**

- LDH: Magellan has significantly changed the pricing to where it should be. The department is still paying more. This is being discussed on the ninth floor. The big increase was during the month of November. All the information is in the report. It explains the differences.
- M.J. Terrebonne: are any of those claims going to be reprocessed?
- LDH: I do not think so. It looks like they will meet their annual aggregate target they set in the contract.
- M.J. Terrebonne: The price they paid was higher for some pharmacies than it was for others.
- LDH: Independents are paid under fee for service reimbursement methodology. It effected the chains. We have not received any complaints from any of the chains as of now.
- Randal Johnson: We shared the information we saw on 20 drugs. If those drugs were filled at an independent pharmacy, it would have been \$19,000. If it had been filled under the prior contract, it would be \$15,000. This is tremendously more. This is only for 20 drugs. We have to be concerned if this is driving up the pharmacy cost.
- LDH: It is not.
- Randal Johnson: What are we going to have in fairness to the pharmacies?
- LDH: It was only for one month.
- Randal Johnson: How many millions of dollars were paid?
- LDH: This is my understanding and Magellan did not violate any terms of the contract.
- Randal Johnson: How much more money did we pay?
- LDH: Now we are paying less. They are correcting on the other end and reduced the MAC pricing quite a bit.
- Dr. Stewart Gordon: They made extra money.
- LDH: The chains made extra money the first month.
- Randal Johnson: For the month of November, you received \$720,000 more than you should have. It will take you more than a year to make that up.
- Kim Wixson: Will this reduction offset what has been spent?
- LDH: I think overall we will pay the same. The state pays a PMPM. Milliman has the information and are aware of what happened for one month. Magellan has until the end of the year to meet the guarantee.
- Randal Johnson: Would this go into overpayment?
- LDH: I think they may have dollar amounts in the aggregate.

- Randal Johnson: It would be helpful to see this.
- LDH: The report is very helpful. It explains everything in their analysis.

- **Milliman report- Mid-year PMPM rate adjustment**

- LDH: The ninth floor signed off on their report. This has to go to ninth floor and CMS. I can send the report. The rates will be effective January 1 through June. During July, they do the annual rate calculation. Concerning pharmacy, they updated the PMPM by looking at what was on the single PDL. Overall, this gets into the weeds. The rates increased by .07 percent. There were some winners and some losers.
- M.J. Terrebonne: What period do they review?
- LDH: They look in the past. We gave them the actual claim data from Magellan. They typically look at the encounters. We gave them the claims data because the encounter data was not ready. Which is why they made changes to the PMPM.
- Randal Johnson: Do you know the average PMPM across the program?
- LDH: On average \$653.16. This might only be for the amendment.
- Randal Johnson: I think we see pressure with drugs like the GLP-1s. The utilization is increasing significantly.
- LDH: We saw an increase until July. Now it has evened out and plateaued.
- Dr. Stewart Gordon: Does the rate increase help close that gap?
- LDH: Milliman has all the reports. They are already working on the rates for July. Typically, we only open the rates once a year in July.
- M.J. Terrebonne: How are rebates considered in the report?
- LDH: The PMPM goes to the MCO.
- M.J. Terrebonne: How does this effect the PMPM?
- LDH: It does not.
- Randal Johnson: Who is looking at the budget?
- LDH: The Undersecretary looks at the report and decides how this is incorporated. Medicaid has its own budget. The vast majority is Medicaid. OAS, OCDD is all Medicaid funds. OPH is the only office who does not have much Medicaid in their budget. HAC is next week. Everyone will see the budget next week.
- Randal Johnson: If we look at Medicaid.data.gov and the difference of the cost of those drugs. We saw there was 125 million dollars expended in the brand over generic list.
- LDH: You are looking at drug by drug. Not market utilization.
- Randal Johnson: We pulled from Medicaid.data.gov
- LDH: The brand over generic list changed in January. I think you are underestimating the difference in expenditures. The rebates will decrease by 176 million. There were drugs that came off and drugs that came on the brand over generic list.

- **Milliman report on PDL/Rebate- PDL modifications**

- LDH: Meeting with Undersecretary, Magellan, and Milliman on the 14th. Moving more to generic.
- Dr. Stewart Gordon: Does this include looking at the financial benefit of doing so?
- LDH: Yes
- Randal Johnson: I know we have a concern about speaking about the brand on any particular drug. Do you have anticipated understanding on the brand on generics list?
- LDH: I know they are committed to get this done. They know how much this is affecting the pharmacy.
- Randal Johnson: We need the walkout. There is not a hard switch. Pharmacies are not stuck with an inventory, they cannot dispense. Is there a way to ease it into a unit of use?
- LDH: The biggest advantage would be to put the brand and generic preferred. We change the PDL every six months. I am assuming they are aiming to change it for the new fiscal year.
- **Pharmacy Budget- MCO, Medicaid Fee For Service**
 - M.J. Terrebonne: Is the pharmacy budget unchanged for next fiscal year?
 - LDH: LDH budget is unchanged. Milliman is working on the rates for July. Fee-for-service is a small amount. We do not know the rates for July.
 - M.J. Terrebonne: How do they work on July rates?
 - LDH: They look at the dates for claims.
 - M.J. Terrebonne: It will be interesting if there are more generics on the PDL.
 - LDH: We will not have this for July. They will set rates for July on what we are currently doing. Milliman takes everything into account and acuity of patients.
 - Randal Johnson: Pharmacy is in discretionary expenditures in the recommended is going from 10.5 to 9.5 million dollars. Looking at the pharmacy expenditure on the SIN report. Numbers are built into PMPM payment going to MCOs. We have an increase of 1.5 billion dollars. Very concerning.
 - LDH: MVP discretionary expenditures.
 - Randal Johnson: This is the budget. This is house bill 1.
 - LDH: I do not know the reason for the reduction to be honest. This all should be taken into account when they do the budget. Most of those are expansion and children. The children are churning at a higher rate coming back in. The children have a different poverty level.
 - Randal Johnson: We lose parents but their kids could qualify.
 - Dr. Wanda Thomas: Do we still have LA Chip?
 - LDH: Yes
- **Claim Data Information- Encounter Data Fields, Data Dictionary Fields**
 - LDH: We have a system companion guide, which goes to the MCOs. It is very lengthy; we can send this to you.
 - Randal Johnson: If you send this, we can send this to the members.

- M.J. Terrebonne: I understand there is encounter data fields. How are those data fields captured?
- LDH: It is a subset of the claim. We do not get everything the MCO has on the claim. We only ask for certain fields. Gainwell has MCO encounters and fee for service claims.
- M.J. Terrebonne: Does the data warehouse have the data with the fields? A subset of the claim?
- LDH: It is. We still get many fields. However, we do not get all of them. Sometimes we reject the encounter because it is not right. The claim relapse happens between the PBM and the pharmacy. Edits on claims at point of sale. Encounters are edited as well. Some encounters are denied. Some are fixable. Any accepted encounter goes into the warehouse.
- M.J. Terrebonne: The claim paid but the encounter rejects? Where do you get this information? What about the rejected?
- LDH: All data is in the warehouse. We rebate off the encounter.
- Randal: The DAW codes are all in there. This is very helpful. It looks like all of this information is really in there.
- MJ: If the encounter denies, is it a dead claim?
- Emily: you can see what the rejection is, edit some things, and resubmit.
- LDH: There is a chance to re-correct the encounter.
- Randal: What is a mandatory requirement?
- LDH: Has to be on the encounter or it is rejected. It's required if it is a compound.
- Randal: could you have a claim that came in multiple times?
- LDH: Yes, they could have tried to submit the encounter ten times.
- M.J. Terrebonne: A pharmacist submits a claims three to four times.
- LDH: That is at point of sale. That would be a denied claim. That is on the MCO/Magellan level. We get a report on how many claims they deny. We will not see this data in real time.

- **Reports-MCO Reports, LDH Pharmacy Reports**

- M.J. Terrebonne: After the last meeting, we asked which pharmacy reports are currently available. Dr. Gordon shares the 054 and 055, which are the pharmacy reports form the MCOs to LDH.
- Randal Johnson: Is this pharmacy benefit reported from the MCO or PBM?
- LDH: It still comes from the MCO. The MCOs are required to submit the reports to LDH. The MCOs do not share information between each other.
- M.J. Terrebonne: Report 054 do they have the Medicaid drug rebates.
- LDH: This happened when the MCOs were getting rebates.
- M.J. Terrebonne: a lot of this is not complete
- LDH: if there's anything with a zero we question it. All the data is used for the transparency report. It goes to legislation.
- M.J. Terrebonne: Looks like 055 had a lot of PA information. Initially the council asked questions about claims denied based on DUR edits.
- Emily: It is available on the 162. 162 is DUR edits.

- LDH: we get six of everything in reports through salesforce.
- M.J. Terrebonne: Are there any pharmacy reports on the LDH side?
- LDH: The transparency report includes information going to legislature.
- M.J. Terrebonne: Is there a report, which states these are the top 50 drugs we pay for?
- LDH: No, there is not. FFS has so few claims and limited recipients. 99% of our time is spent on managed care.

- **Provider Fee Update, Myers and Stauffer Report**

- LDH: We had a meeting this week with pharmacy. LDH fiscal is the one who sends out the invoices, based on what is in the reports. We will probably add a UNO staff person to pharmacy so we can do better on the provider fee. Right now, LDH fiscal has a person but pharmacy does not really have a person dedicated to provider fee.
- Randal Johnson: We have experience where our pharmacies are not being reimbursed the provider fee. If the department is getting money from the pharmacy from out of state or PBM owned pharmacy. The challenge is, it has to be broad-based and uniformed. We all know a provider fee is ten cents.
- LDH: According to fiscal, we moved over to lagov system because we wanted to change the invoice. According to fiscal, lagov cannot do this. We can only manually track. Which is why we need to add a person.
- Randal Johnson: Pay your fees or lose your permit.
- LDH: We definitely need to do better on the provider fee.
- Randal Johnson: The MCO PBM count 65,000 pharmacies in their network.
- LDH: We are moving to single provider enrollment and single credentialing. It would all come through one entity in the department. Right now if a pharmacy wants to be enrolled, they have to be credentialed with all six. We are trying to move to a single entity. We are doing a contract amendment with Gainwell. It is almost time to start this back up. Until we get this one entity up and running. I think it will be in the fall. Still has to be approved by OSP. I do not have a date at this point.
- Randal Johnson: Will this be all providers?
- LDH: Only the ones in the gap.
- M.J. Terrebonne: Sounds like a good educational letter needs to go out.
- LDH: We definitely need to send a letter to the pharmacies on the provider list.

- **Thirty Day Supply Policy**

- LDH: This should now be fixed
- Kim Wixson: Vitamin D is not fixed.
- Randal Johnson: This is allowing the pharmacies to process the claim but not paying the dispensing fee.
- LDH: I sent those examples to Magellan to explain. There is a MMA provider manual on the Magellan site.
- Randal Johnson: Do we know the site? Where is the policy?
- LDH: It was revised on 10.6.23

- Randal Johnson: I haven't been able to find it on the Medicaid provider notices
- LDH: It should be the MCO maintenance med dispensing fee. It went out in late fall. Some vitamins are on the maintenance list.
- Emily: There is a group of drugs that are separate for this.
- Randal Johnson: Does this policy change affect the state plan amendment?
- Randal: Should changes require some comment period from providers. Does pharmacy need to use a different code?
- Kim Wixson: I think there is a code you could put in, which would pay the dispensing fee.
- LDH: On the notice part, when we make changes to our manual, state law requires we post it for 45 days. A notice is posted. We have to post contract amendments and changes to the policy.
- Emily: Pharmacies and doctors are the only people still using fax machines. Can you start faxing documents from Magellan?
- LDH: This should be okay.
- M.J. Terrebonne: Do we still have a four-prescription plan limit?
- LDH: Yes, in FFS.

- **Compound Drugs Update**

- M.J. Terrebonne: At the last meeting, we were told Magellan is working on a fiscal impact.
- LDH: We approved what Daisy sent. Magellan will have to sign a new contract. The new date is 4/1/24. We agreed to the higher rates Daisy asked for. At least three rates were changed.
- Daisy: Thank You, I see the dates were updated. I think there are a couple of things that do not make sense. The folic acid requires a ph change and should be in level 5. The document needs a little more cleaning. Somehow, our PSAO is involved in the middle of this. We sent this back to our PSAO saying the claims are still rejecting. This is not working and we are going back and forth.
- LDH: I do not think anything is going retroactive. Not all the MCOs paid the LOE for compounds.
- Randal Johnson: We asked about this in July for continuity of care.
- LDH: We did. I cannot help if your PSAO does not like your version of the language.
- Randal Johnson: Magellan is getting the contract out. The issue comes with waiting on Magellan to get the contract out.
- LDH: Some of the MCOs paid for level of effort.
- Randal Johnson: What is the department's suggestion?
- LDH: The pharmacy should continue to fill those prescriptions.
- Randal Johnson: the pharmacy was looking for how to maintain the continuity of care.
- LDH: If the provider did not sign a contract, the answer is no. They are paying for compounds. It is the level of effort piece. I do not know what Magellan did. If Magellan sent something out before they agreed to increase the fees, I cannot fix the problem. They will not backdate a contract. I cannot recommend they

back data contract. I have no idea what happened between Magellan and the PSAO. We have not received complaints of patients not being able to receive that compound medication. This is negotiation between Magellan and the PSAO. LDH does not step into the middle.

- Emily: Do you want MCOS to go recycle when level of effort was not paid? MCOs can have this as a take away.
- LDH: I do not know if Magellan did not add contract language or it did not come to the department.
- Emily: This is the first we have heard there was an issue.
- LDH: This is the first I have heard they do not have a signed contract with Magellan.
- Kim Wixson: I have sat on the PSAO board. There are very few contracts they refuse to sign.
- LDH: I will check with Magellan and see which MCOs refused to sign the compound contract or have not signed at this point. You have a contract for regular pharmacy claims. Then a separate for compounds. The PSAO would have to sign every single one. We will find out from Magellan, which pharmacies have not signed.

- **Pharmacy Risk Pool for High-Cost Drugs**

- LDH: We had a pharmacy high cost drug through risk pool. Milliman will do the analysis when they complete the rates for July. For the sickle cell drugs, we will send our letter of intent to participate in the CMS rebate agreement. Letters of intent are due in early April. This is only for sickle cell.

- **Pharmacy Risk Corridor- Milliman Report**

- LDH: The risk corridor is still pending with EMT on the ninth floor.

- **Call for Public Testimony**

- N/A

- **Other Business**

- N/A

- **Adjournment**

- Kim Wixson motioned to adjourn. Pam Reed seconded the motion. The meeting adjourned at 11:50 a.m. The next meeting will be held Wednesday April 10th and Thursday May 2nd.