

# PHARMACY FACTS

## Program Updates from Louisiana Medicaid

December 7, 2018      [Revised: 1.10.2019](#)

### **Medicaid plans for 2019 single preferred drug list, dispensing fee and ingredient cost changes**

Louisiana Medicaid has established a May 2019 timeline for implementation of a single preferred drug list (PDL) across all managed care organizations (MCOs) and Medicaid fee-for-service. To address concerns expressed in recent stakeholder discussions, Medicaid will also make changes to the pharmacy program's dispensing fee and ingredient cost methodology at the same time.

"Medicaid will use data from our most recent Cost of Dispensing (COD) survey to establish a uniform dispensing fee for all pharmacy providers," Jen Steele, Medicaid director, said. "We are committed to seeking approval from the Centers for Medicare and Medicaid Services (CMS) for an increase in the dispensing fee amount from \$10.41 to \$10.99 for both chain and independent pharmacies."

Medicaid pharmacy reimbursement for ingredient cost is currently determined using the average acquisition cost (AAC), which relies on localized invoices from Louisiana-based prescribers. Stakeholders expressed an interest in shifting to the national average drug acquisition cost (NADAC), and Medicaid has committed to also pursuing CMS approval for this change.

[Although the dispensing fee and NADAC changes are only applicable to fee-for-service Medicaid, MCOs are mandated \(through legislation\) to reimburse local pharmacies at the fee-for-service rate.](#)

Input from a wide range of stakeholders – including prescribers, independent and chain pharmacies, and others – was considered when drafting the program changes. "We made every effort to accommodate everyone's interests and concerns," Steele said, "and we appreciate the willingness of everyone to come to the table and compromise."

Additional background on the single PDL discussions and the COD survey can be found in previous editions of [Pharmacy Facts](#).