

# PHARMACY FACTS

## Program Updates from Louisiana Medicaid

**March 16, 2018**

### Cost of Dispensing (COD) Survey

The Louisiana Department of Health (LDH) pharmacy program recently hosted a webinar to discuss plans for an upcoming COD survey. **Based on feedback from webinar participants, we have postponed the survey** until after tax season while we address stakeholder concerns. This fact sheet provides an overview of content shared during the webinar as well as some additional details.

#### The Basics

- LDH is planning to conduct a COD survey, with a tentative start date of April 16, 2018.
- Our state contracted actuary, Mercer, on LDH's behalf, will perform the survey.
- On **March 22<sup>nd</sup>**, LDH and Mercer will host a telephone conference to address any questions raised and allow for discussion of any outstanding concerns.
- LDH **needs participation from all Medicaid pharmacies, chains and independents**, to accurately capture the cost of dispensing, The COD survey is mandatory.
- It is important to complete the survey entirely and accurately (e.g., 340B participation, specialty drug dispensing, and HCPCS billed services). All data will remain confidential and will only be reported in the aggregate.

#### The Timing

- Our governing entity (CMS) is requiring this COD survey as a follow up measure to their Covered Outpatient Drug Final Rule (CMS-2345-FC). That rule:
  - Was designed to ensure reimbursement is based on current costs and data.
  - Required review of both ingredient cost and professional dispensing fee.
- CMS has already approved the current ingredient cost of Average Acquisition Cost (AAC) methodology that is in place today. This requires basing the AAC on actual invoice cost from Louisiana pharmacies.
- A previous COD survey in 2015 identified a professional dispensing fee decrease, due to pharmacists' efficiencies, updated technological advances such as central fill, and automated dispensing. The state chose not to implement the 2015 survey to avoid decreased pharmacy reimbursement. Since CMS has requested the professional dispensing fee update, the 2018 survey will be implemented.
- The COD survey is not related to state budget concerns, nor is it an attempt to reduce dispensing fees. In fact, LDH plans to engage stakeholders in exploration of how a comprehensive update to Medicaid's method of reimbursing pharmacy services, including the cost of dispensing fee and the ingredient cost of drugs, could be paired with implementation of a Single PDL for both FFS and managed care currently under development by LDH.

Based on feedback from the webinar, LDH along with Mercer is compiling a list of Frequently Asked Questions (FAQs) to share prior to the survey. The FAQs will be shared and posted online as soon as they are available. The FAQs and other instructions will be posted on the survey homepage at <https://ghscapps.mercer.com/LApharmacy/>. You can ask questions or share concerns by emailing [RxSurvey@mercer.com](mailto:RxSurvey@mercer.com).