

# PHARMACY FACTS

## Program Updates from Louisiana Medicaid

March 29, 2018

### Cost of Dispensing Survey

Louisiana Medicaid is conducting a Cost of Dispensing Survey for purposes of updating the professional dispensing fee for pharmacy reimbursement. The current fee is based on 2010 costs. The survey will be distributed April 16, 2018. Please refer to <https://ghscapps.mercer.com/LApharmacy/> for the latest information. Please email any related questions to [RxSurvey@mercer.com](mailto:RxSurvey@mercer.com).

### Single Preferred Drug List

In January 2018, Senator Fred Mills invited a group of pharmacists and prescribers to express to Medicaid staff their concerns with the current environment of six different Medicaid Preferred Drug Lists (PDL), including both Fee for Service and the five Managed Care Organizations (MCO), which are summarized below.

Current Environment with Multiple PDLs	
Concerns of the prescriber	Concerns of the pharmacist
<ul style="list-style-type: none"><li>• Difficult to access PDLs on the web for each MCO</li><li>• Each PDL is published in a different format</li><li>• Rapidly changing PDLs</li><li>• Each MCO has different clinical criteria</li><li>• Each MCO has different quantity limits</li><li>• Inconsistencies are leading to delays in starting medication therapy</li><li>• Need more transparency, simplicity and uniformity</li></ul>	<ul style="list-style-type: none"><li>• High prior authorization (PA) volume<ul style="list-style-type: none"><li>➢ Time/resources required to notify prescriber</li><li>➢ PA approval notification to prescribers, not pharmacists, causing delays</li><li>➢ Multiple transmission fees processing claims in hope of PA approval</li><li>➢ Denial reasons are inconsistent and vague—denial for PA when it is an early refill</li></ul></li><li>• Inventory management challenges<ul style="list-style-type: none"><li>➢ Different products/forms preferred by various plans</li><li>➢ Preferred status of products change frequently and at different times across plans</li></ul></li></ul>

In an effort to address these concerns, Louisiana Medicaid has contracted with an outside actuary, Milliman, to assist with the development and implementation of a Single PDL across both Fee for Service and MCOs. Milliman has subcontracted with Change Healthcare, a supplemental rebate contractor, to support this effort. A Single PDL will not address every concern expressed. However, it will address a number of key concerns and pave the way for future improvements.

Preferred drug choices will be based on clinical effectiveness and fiscal concerns. Fiscal considerations will include inventory costs to the pharmacist, expenditures by the MCOs and rebate opportunities. Medicaid will consult with stakeholders on the development of the list. It will seek input on a draft before producing the final version. Plans are underway for a public forum in late April or early May 2018 for this purpose. The agency aims to implement a Single PDL in calendar year 2019.

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Independent of the Single PDL effort, Medicaid has taken action to address other issues raised in the January stakeholder meeting, including:

- Myers and Stauffer has posted a file of Average Acquisition Cost (AAC) rate changes at <http://www.mslc.com/Louisiana/AACList.aspx>.
- The Medicaid website has been updated with current MCO PDLs and contact information at <http://ldh.la.gov/index.cfm/page/1328>.