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From: MCO3.0Feedback@la.gov
Sent: Tuesday, December 29, 2020 3:58 PM
To: MCO3.0Feedback
Subject: 2021 MCO RFP Online feedback submission notification

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The Louisiana Department of Health (LDH) plans to release a Request for Proposals in Spring of 2021 for its Medicaid managed care contracts. You are invited to provide feedback on the areas of interest listed below. You may comment on one or all areas of interest. All comments will become public record and may be published at some point in the future.

Name of Individual or Organization	Louisiana Independent Pharmacies Associations
Email Address or Phone Number	Johnson@lipanow.org
Organization Type	Provider organization
Other (please describe)	
Is your organization statewide or regional?	Statewide
What regions does your organization represent based on the map below?	



Areas of Interest:

In developing the RFP, LDH has identified the following areas of interest that warrant further research and potential development:

- Behavioral health integration
- Child and maternal health outcome improvement
- Delivery system reform, Disaster planning and recovery
- Department of Justice settlement agreement requirements
- Fraud, waste, and abuse initiatives
- Health equity
- Increased MCO accountability

You may offer your input on these areas in the next section.

Instructions: Please offer input on any of the following areas of interest. You may provide input in as many areas as you wish, but you do not have to provide input on all of them for your feedback to be submitted.

Behavioral health integration - Louisiana Medicaid seeks to integrate financing models by contracting with MCOs that manage all physical and behavioral health services for Medicaid enrollees to decrease fragmentation of care, improve health outcomes, and reduce costs. Goals of integration include enhancing provider access to data, incentives, and tools to deliver integrated services and coordinate care across settings.

Please offer suggestions on how the MCOs can support key aspects of behavioral health and physical health integration and how they can improve integration of behavioral health and physical health care delivery for enrollees in this upcoming procurement. What specific network

development, care delivery, and care coordination services approaches should LDH consider to allow the MCOs to better meet enrollees' behavioral health needs?

Child and maternal health outcome improvement – Louisiana Medicaid provides health insurance for more than half of all pregnancies and more than three-quarters of all children in the State. The aim of the Medicaid managed care program is to improve child and maternal health outcomes.

Please offer suggestions on the key aspects of child and maternal health outcome improvement and what strategies could be used to address these aspects. (Some possible topics may include coordination and transition of care, how to increase patient engagement, how to care for special populations for both mothers and children, and suggestions for mitigating trauma and adverse social determinants of health.)

Delivery system reform – In the last couple of years Louisiana has instituted a number of reforms related to payment models and provider network structures that will improve quality of care for Medicaid managed care enrollees. These reforms include instituting incentives such as Value Based Payments, and other incentives for quality care.

Please offer suggestions on the best way to promote adoption of new payment methodologies that reward providers for the value they create as opposed to the fee-for-service methodology that rewards solely on the basis of volume of services.

Disaster planning and recovery – Disasters are a part of life in Louisiana, 2020 has proven that. Whether disease or weather-related, disasters present a serious risk to Louisiana Medicaid beneficiaries – who may be heavily impacted by public health emergencies such as COVID-19, or by tropical storms and hurricanes. In the event of such disasters, MCOs play a crucial role in meeting the health care needs of Medicaid managed care enrollees.

Please offer suggestions as to what barriers to care enrollees and providers encounter during disaster events, and what specific measures can MCOs take in the care planning process to mitigate these barriers.

DOJ settlement agreement requirements – In 2018, a Federal Department of Justice (DOJ) investigation found that the State of Louisiana (along with several other states) violated the Americans with Disabilities Act (ADA) by housing mentally ill individuals in nursing homes. Subsequently, LDH agreed to review and add services for Medicaid-eligible adults with a serious mental illness (SMI) in community-based settings under terms of an agreement to resolve the investigation. Care and service integration provided by MCOs will play a crucial part in meeting the terms of that agreement and further advancement of outcomes for this population.

Please offer suggestions for how care and services specific to the SMI-diagnosed population covered by the agreement could be developed to both avoid nursing facility placement and ensure community integration upon discharge from placement.

Fraud, waste, and abuse initiatives – Program integrity and compliance activities are meant to ensure that taxpayer dollars are spent appropriately on delivering quality, necessary care and preventing fraud, waste, and abuse (FWA) in Medicaid programs. Prevention, detection, and recovery of FWA ensures resources are efficiently administered in the Medicaid managed care program. FWA initiatives are designed to strengthen the State's Medicaid managed care program integrity and oversight capabilities.

Please offer suggestions for changes that could be made in the new MCO contract that will strengthen FWA prevention, detection, and recovery efforts.

Health equity – Health Equity is defined as a state where every person has the opportunity to attain his or her full health potential and no one is disadvantaged from achieving this potential because of social position or other socially determined circumstances. Addressing health equity in the context of Medicaid Managed Care means focusing on improving population health by working to reduce identified disparities for Medicaid populations. Quality improvement and health equity approaches will inform and guide managed care in Louisiana. This will include identifying the key social determinants of health (SDOH) and related outcome measures such as baseline health outcome measures and targets for health improvement; measures of population health status and identification of sub-populations within the population; identification of key SDOH outcomes; and strategies for targeted interventions to reduce disparities and inequities. SDOH are the complex, integrated, and overlapping social structures and economic systems that are responsible for most health inequities. These social structures and economic systems include the social environment, physical environment, health services, and structural and societal factors.

Please offer suggestions for how LDH can require the MCOs to focus on addressing social determinants of health and other health disparities in Louisiana. How can LDH best hold the MCOs accountable for significantly improving health equity among Medicaid managed care enrollees?

Increased MCO accountability – The MCO contracts specify the MCOs’ responsibilities with respect to the Medicaid managed care program. Holding the MCOs accountable for meeting the terms of the MCO contracts are important to the efficient operation of the Medicaid managed care program and ensure quality care is delivered to Medicaid managed care enrollees. While penalty provisions such as significant fines are included in the existing MCO contracts, LDH is interested in enhancing MCO accountability.

Please offer suggestions for how can LDH hold the MCOs accountable for statewide policy, operational, and financial priorities in the MCO contract.

Have feedback on an area not represented above? Please provide it below.

Use of Mail Order Pharmacy 7.17.3. Mail Order/Mail Service Pharmacy The MCO cannot require its members to use a mail service pharmacy. Mail order must not exceed more than one (1) percent of all pharmacy claims. Members cannot be charged anything above applicable copays (e.g. shipping and handling fees). The current Louisiana Medicaid MCO contract contains language prohibiting the MCO from requiring members to use a mail service pharmacy and we strongly believe this language should continue to be included in any future Medicaid Managed Care Request for Proposals. Our concern is that the current 1% cap on mail order specified on the contract not allow for any further expansion of mail order beyond the current baseline, whatever that may be. It may be necessary to reduce the cap to less than 1%. We would note that Louisiana’s Number of Mail Order Prescription Drugs Per Capita as reported by Kaiser Number of Mail Order Prescription Drugs Per Capita Is .79%--one of the highest for any state. Louisiana is an outlier, with the highest per capita use of mail order prescription drugs in the Deep South. Even the so-called “frontier states” have less per-capita reliance on mail order pharmacy than Louisiana, and the per capita rate in Louisiana is more than double that of neighboring Texas. Medicaid is a major contributor with enrollment now ~ 1.8 million. The high incidence of mail order is true even though LIPA has shared our concerns about expansion of mail order pharmacy in Medicaid managed care since it was “carved in” to Medicaid managed care in late 2012. Keep in mind that the per capita mail order numbers above were pre-COVID and with consumers being strongly encouraged to use mail order pharmacy including by the federal government, the percentage has likely increased. Medicaid’s Reimbursement Methodology for Drug Ingredient Cost We would note that while many of LIPA’s concerns relative to Medicaid Managed Care were addressed with the Single Preferred Drug List and uniform Prior Authorization form, reimbursement for ingredient cost remains a major concern. The Louisiana Medicaid Program requires and encourages using significant numbers of brand drugs in the formulary or preferred drug list in order to obtain and capture rebates for the Program’s benefit, with less reliance on use of generic drugs to generate savings. The “real world experience” of Louisiana pharmacists continues to be that NADAC as an ingredient cost reimbursement methodology for brand drugs frequently does not cover the acquisition cost of the drug. Use of NADAC for brand drugs causes the pharmacy to incur a much higher cost of doing business and to be reimbursed below their cost. While the State may receive benefit of substantial rebates, Louisiana’s community pharmacies to pay an increased cost and are in essence “funding” those rebates that go to the state’s coffers. Pharmacy Provider Fee Should LDH opt to “carve out” the pharmacy benefit and move to procure a single state Pharmacy Benefit Manager (PBM) for the Medicaid population, the model should support the continued ability to collect the MCO premium tax dollars which are used to partially fund the Medicaid Program. An example of such model is the new Kentucky model in which payments for pharmacy would continue to go to the Medicaid MCOs who would in turn contract with and reimburse the state’s designated single PBM. We recognize and support the provider fee and premium tax uses for the program and encourage the full collection of those funds and an accurate accounting by all responsible parties. Definition of Specialty Drugs We urge the Department to considers factors other than cost of the drug alone in the definition of specialty drugs. We raise this issue because of the definition we saw accepted in the recent OGB contract award that was based primarily on cost alone. We believe that factors other than cost such as requiring special handling, administration and training should guide this. Specialty drug prescriptions are increasingly being diverted to mail order pharmacies which results in fragmentation of prescription drug care and counseling resources available to the patient.