



**State of Louisiana**  
Department of Health and Hospitals  
Office of the Secretary

December 30, 2013

Bill Brooks  
Associate Regional Administrator  
Division of Medicaid & Children's Health  
DHHS/Centers for Medicare and Medicaid Services  
1301 Young Street, Room #833  
Dallas, Texas 75202

RE: Louisiana Title XIX State Plan  
Transmittal No. 13-44

Dear Mr. Brooks:

I have reviewed and approved the enclosed Louisiana Title XIX State Plan material. This State Plan Amendment provides for substantive changes to the existing *TOPS<sup>SM</sup> The Optimal PDL \$solution ("TOPS") State Supplemental Rebate Agreement ("SRA")*, which includes revised definitions, and structural changes to the SRA.

In addition, definitions have been added to provide for the inclusion of Medicaid MCO utilization for accrual of supplemental rebates. The intent of the SRA has been expanded to cover both FFS and MCO populations, as long as the State retains control of the Preferred Drug List for both populations. Inclusion of the MCO population under the contract is *optional* and at the sole discretion of the State. The State understands, through communications with CMS Central office, that a separate State Plan Amendment is required if the State intends to exercise this provision. Central Office has performed an initial review of the SRA and their suggested changes have been incorporated in the attached revised SRA.

Effective Date: October 1, 2013

A brief description of additional changes to the TOP\$ SRA include:

- Clarified the terms under which supplemental rebates accrue for partial quarter invoicing.
- Changed the rebate calculation to use WAC on the last day of the quarter.
- Limited termination by the manufacturer to the entire agreement not by NDC or product.
- Removed termination without cause language.
- Added an interest penalty of 10% to the SRA.

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- Provided for the Participation Agreement to renew automatically for one-year terms, as long as the controlling agreement between Magellan/Provider Synergies and Participating State is active.
- Removed tiers from the bid grid.
- Added option to use alternative supplemental rebate calculation types to allow for different rebate accrual calculations than Guaranteed Net Unit Price (GNUP).

Enclosed for your review are the following documents:

- **TOP\$ SRA Redline 6-3-13.** Within this document are the following:
  - State Supplemental Rebate Agreement, Pages 1-19
  - Attachment A - TOP\$sm Medicaid Program Participation Agreement, Pages 20-24
  - Attachment A-1 – Reserved, Page 25
  - Attachment A-2 – Attestation of Inclusion/Exclusion of Medicaid MCOS, Pages 26-27
  - Attachment B, TOP\$sm Multistate Supplemental Drug Rebate Formulae, Pages 28-30
  - Attachment C, Catalogue of TOP\$sm Participating Medicaid Programs, Pages 31
- **TOP\$ SRA Clean 6-3-13.** Within this document are the following:
  - State Supplemental Rebate Agreement, Pages 1-14
  - Attachment A - TOP\$sm Medicaid Program Participation Agreement, Pages 15-18
  - Attachment A-1 – Reserved, Page 19
  - Attachment A-2 – Attestation of Inclusion/Exclusion of Medicaid MCOS, Page 20
  - Attachment B, TOP\$sm Multistate Supplemental Drug Rebate Formulae, Page 21-22
  - Attachment C, Catalogue of TOP\$sm Participating Medicaid Programs, Page 23

We look forward to gaining approval from CMS for this State Plan Amendment. I recommend this material for adoption and inclusion in the body of the State Plan.

Sincerely,



Kathy H. Kliebert  
Secretary

Attachments (2)

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

**13-44**

2. STATE

**Louisiana**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

**October 1, 2013**

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN      AMENDMENT TO BE CONSIDERED AS NEW PLAN      AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

**42 CFR 440.120 Subpart A**

7. FEDERAL BUDGET IMPACT:

a. FFY **2014**     **(\$24,182.18)**

b. FFY **2015**     **(\$3,626.40)**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**Attachment 3.1-A, Item 12.a, Page 5a**

9. PAGE NUMBER OF THE SUPERSEDED PLAN  
SECTION OR ATTACHMENT (If Applicable):

**None (new page)**

10. SUBJECT OF AMENDMENT: **This State Plan Amendment provides for substantive changes to the existing TOPS<sup>SM</sup> The Optimal PDL Solution ("TOPS") State Supplemental Rebate Agreement ("SRA"), which includes revised definitions, and structural changes to the SRA.**

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:  
**The Governor does not review state plan material.**

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

**Kathy H. Kliebert**

14. TITLE:

**Secretary**

15. DATE SUBMITTED:

**December 30, 2013**

16. RETURN TO:

**J. Ruth Kennedy, Medicaid Director  
State of Louisiana  
Department of Health and Hospitals  
628 N. 4<sup>th</sup> Street  
PO Box 91030  
Baton Rouge, LA 70821-9030**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

LOUISIANA TITLE XIX STATE PLAN

TRANSMITTAL #:

13-44

TITLE: Pharmacy Benefits Management Program-State Supplemental Rebate Agreement Program

FISCAL IMPACT

EFFECTIVE DATE: October 1, 2013

Decrease

	year	% inc.	fed. match	# mos	range of mos.	dollars
1st SFY	2014		62.11%	9	October 1, 2013 - June 2014	(\$37,484,235)
2nd SFY	2015	3.0%	62.11%	12	July 1, 2014 - June 30, 2015	(\$5,800,808)
3rd SFY	2016	3.0%	62.05%	12	July 1, 2015 - June 30, 2016	(\$5,974,832)

\*#mos-Months remaining in fiscal year

**Total Decrease in Cost FFY**

2014

SFY	2014	(\$37,484,235)	for	9	months	October 1, 2013 - June 2014			(\$37,484,235)
SFY	2015	(\$5,800,808)	for	12	months	July 1, 2014 - June 30, 2015			
		(\$5,800,808) /		12 X	3	July 2014 - September 2014	=		(\$1,450,202)
									<u>(\$38,934,437)</u>

FFP (FFY 2014) = (\$38,934,437) X 62.11% = (\$24,182,179)

**Total Decrease in Cost FFY**

2015

SFY	2015	(\$5,800,808)	for	12	months	July 1, 2014 - June 30, 2015			
		(\$5,800,808) /		12 X	9	October 2014 - June 2015	=		(\$4,350,606)
SFY	2016	(\$5,974,832)	for	12	months	July 1, 2015 - June 30, 2016			
		(\$5,974,832) /		12 X	3	July 2015 - September 2015	=		(\$1,493,708)
									<u>(\$5,844,314)</u>

FFP (FFY 2015) = (\$5,844,314) X 62.05% = (\$3,626,397)

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM  
STATE OF LOUISIANA  
AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES  
PROVIDED

Attachment 3.1-A  
Item 12.a. Page 5a

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LIMITATIONS ON THE AMOUNT, DURATION AND SCOPE OF CERTAIN ITEMS OF PROVIDED  
MEDICAL AND REMEDIAL CARE AND SERVICES DESCRIBED AS FOLLOWS:

- G. Effective October 1, 2013 the department shall enter into a contractual agreement with Provider Synergies to participate in TOP\$. Provider Synergies/Magellan Medicaid Administration will act on the department's behalf to provide the necessary administration services relative to this agreement for the provision of state supplemental drug rebate contracting and preferred drug list administration services.

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TN# \_\_\_\_\_ Approval Date \_\_\_\_\_ Effective Date \_\_\_\_\_  
Supersedes  
TN# \_\_\_\_\_