

John Bel Edwards
GOVERNOR



Rebekah E. Gee MD, MPH
SECRETARY

State of Louisiana
Louisiana Department of Health
Office of the Secretary

VIA ELECTRONIC MAIL ONLY

May 11, 2018

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

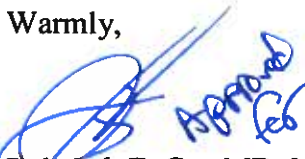
Dear Mr. Brooks:

RE: Louisiana Title XIX State Plan
Transmittal No. 18-0004

I have reviewed and approved the enclosed Louisiana Title XIX State Plan material.

I recommend this material for adoption and inclusion in the body of the State Plan.

Warmly,


Rebekah E. Gee MD, MPH
Secretary

Attachments (3)

REG:JS:MJ

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

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 18-0004	2. STATE Louisiana
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE July 1, 2018	

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

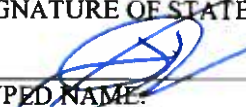
5. TYPE OF PLAN MATERIAL (Check One):
 NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT
 COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447	7. FEDERAL BUDGET IMPACT: a. FFY <u>2019</u> \$ 233,800 b. FFY <u>2020</u> \$ 267,094
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Item 12.a, Page 3 Attachment 4.19-B, Item 12.a, Page 4	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Same (TN 17-0008) None – new page
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10. SUBJECT OF AMENDMENT: **The SPA proposes to amend the provisions governing Pharmacy Benefits Management Program - Physician-Administered Drugs Reimbursement Methodology.**

11. GOVERNOR'S REVIEW (Check One):
 GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED **The Governor does not review State Plan material.**
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Jen Steele, Medicaid Director State of Louisiana Department of Health 628 North 4th Street P.O. Box 91030 Baton Rouge, LA 70821-9030
13. TYPED NAME: Rebekah E. Gee MD, MPH	
14. TITLE: Secretary	
15. DATE SUBMITTED: May 11, 2018	

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:	

LA TITLE XIX SPA
 TRANSMITTAL #: 18-0004

TITLE: Pharmacy Benefits Management Program - Physician-Administered Drugs Reimbursement Methodology
 EFFECTIVE DATE: July 1, 2018

FISCAL IMPACT:
 Increase

year	% inc.	fed. match	# mos	range of mos.	dollars
1st SFY 2019			12	July 2018- June 2019	\$269,033
2nd SFY 2020	0.00%		12	July 2019- June 2020	\$392,227
3rd SFY 2021	0.00%		12	July 2020 - June 2021	\$466,975

*#mos-Months remaining in fiscal year

Total Increase or Decrease Cost FFY 2019 for 12 months \$269,033

\$269,033

SFY 2020 for 12 X 3 months \$392,227 / \$392,227

\$98,057
\$367,090

FFP (FFY 2019) = 63.69%
 Total Increase or Decrease Cost FFY 2020 for 12 X 9 months \$392,227 / \$392,227

\$233,800

SFY 2021 for 12 X 3 months \$466,975 / \$466,975

\$294,170
\$116,744
\$410,914

FFP (FFY 2020) = 65.00%

\$267,094

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER TYPES OF CARE OR SERVICES LISTED IN SECTION 1902(a) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

<u>CITATION</u> 42 CFR 447	Medical and Remedial Care and Services Item 12.a.	<u>Prescription drugs, dentures, and prosthetic devices and Eyeglasses Prescribed by a Physician Skilled in Diseases of the Eye, or by an Optometrist.</u>
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Physician-Administered Drugs

Medicaid covered physician-administered drugs shall be reimbursed according to the Louisiana professional services fee schedule.

Periodic updates to the rates shall be made to ensure compliance with Section 1902(a)(30)(A) of the Social Security Act. At a minimum, annual updates shall be made to the rates for physician-administered drugs.

Physician Office Setting

Reimbursement for Medicaid covered physician-administered drugs in a physician office setting shall be established at the current Louisiana Medicare rate, which is average sales price (ASP) plus 6 percent, for drugs appearing on the Medicare file.

Reimbursement rates for physician-administered drugs in a physician office setting that do not appear on the Medicare file shall be determined utilizing the following alternative methods:

1. The wholesale acquisition cost (WAC) of the drug, if available; or
2. If the drug has no WAC available, one of the following methods shall be used: The provider's actual cost of the drug as documented by invoice or other acceptable documentation as deemed appropriate by the department;
 - a. Medicaid rate of other states;
 - b. Commercial payer rate; or
 - c. Medical consultant recommendation.

Outpatient Hospital Setting

Interim payment rate for claims is the hospital specific cost to charge ratio. Final payment is made during the cost report settlement process at the percentage of allowable costs specified in our approved state plan for the type of hospital and applicable dates of service. This applies to both 340B and regular drug stock in this setting.

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE OR SERVICE LISTED IN SECTION 1902 (A) OF THE ACT THAT ARE INCLUDED IN THE PROGRAM UNDER THE PLAN ARE DESCRIBED AS FOLLOWS:

340B Physician Administered Drugs

Reimbursement is encompassed in the all-inclusive encounter rate for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs).

Clotting Factor

Pharmacy claims for clotting factor will be reimbursed using the brand/generic drug reimbursement methodology plus a professional dispensing fee.

Investigational or Experimental Drugs

Investigational or experimental drugs shall not be reimbursed by Louisiana Medicaid.

TN _____

Approval Date _____

Effective Date _____

Supersedes

TN _____