

**LA SPA TN 18-0004 Pharmacy Benefits Management Program – Physician-Administered Drugs Reimbursement Methodology**  
**Effective date: July 1, 2018**

**Pharmacy State Plan Reimbursement Funding Questions**

Section 1903(a)(1) of the Social Security Act provides that Federal financial participation (FFP) is only available for expenditures made by states for services under the approved State Plan. To ensure that program dollars are used only to pay for Medicaid services, we are asking states to confirm to CMS that pharmacies retain 100 percent of the payments provided to them as indicated in attachment 4.19B. Specifically, please answer the following questions regarding the proposed amendment and current reimbursement made under the Medicaid plan for pharmacy providers:

1. Section 1903(a)(1) provides that Federal matching funds are only available for expenditures made by States for services under the approved State plan. To ensure that program dollars are used only to pay for Medicaid services, we are asking states to confirm to CMS that pharmacies retain 100 percent of the payments provided to them as indicated in attachment 4.19B. Specifically, please answer the following questions regarding the proposed amendment and current reimbursement made under the Medicaid plan for pharmacy providers:

- a. Do pharmacy providers retain all of the state and Federal Medicaid payments (including dispensing fees, ingredient costs, benefit management costs, etc.) or are providers obligated to return any portion of the Medicaid payment to the state or local government entity, or any other intermediary organization or entity?

**RESPONSE:**

**Providers receive and retain 100 percent of the payments. No portion of the payments is returned to the State.**

- b. If pharmacy providers are obligated to return any portion of the payment, the state must provide a full description of the repayment methodology including: a complete list of pharmacy providers that return their payments; the amount or percentage of the payment; and the disposition and use of the funds once they are returned to the state (i.e. general revenue fund, medical services account, etc.)

**RESPONSE:**

**Providers receive and retain 100 percent of the payments. No portion of the payments is returned to the State.**

2. Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plan. Please describe how the state share of each type of Medicaid payment (normal per diem, supplemental, enhanced, other) is funded. Please describe how the state share of Medicaid pharmacy payment in attachment 4.19B is funded, including the payments made under the proposed amendment. Specifically:

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- a. Describe whether the state share is from appropriation from the legislature, through intergovernmental transfer agreements (IGT), certified public expenditures (CPE), provider taxes, or any other mechanism used by the state to provide the state share.

**RESPONSE:**

**The State share is paid from the state general fund, which is directly appropriated to the Medicaid agency.**

- b. Please provide your estimate of total expenditures and state share amount for your Medicaid pharmacy payment.

**RESPONSE:**

**The State share is paid from the state general fund, which is directly appropriated to the Medicaid agency.**

- c. If any state share is being funded by IGTs or CPEs, please fully describe the matching arrangement. If CPEs are used, please describe how the state verifies that the expenditures being certified are eligible for Federal matching funds in accordance with 42 CFR 433.51(b).

**RESPONSE:**

**The State share is paid from the state general fund, which is directly appropriated to the Medicaid agency.**

3. Section 1902(a)(30) requires that payments for services be consistent with efficiency, economy, and quality of care. Section 1903(a)(1) provides for Federal financial participation to States for expenditures for services under an approved State Plan. If you are providing, or propose to provide under this amendment, an enhanced or supplemental payment to pharmacy providers under section 4.19B of the plan, please provide the following information:

- a. The total amount for each enhanced or supplemental payment provided to pharmacy providers and the precise service cost this payment is covering.

**RESPONSE:**

**This SPA does not involve supplemental or enhanced payments.**

- b. Indicate whether there are public pharmacy providers and if they are receiving payments in accordance with attachment 4.19B that in the aggregate exceed its reasonable costs of providing services. If the payment exceeds the reasonable costs of services (for pharmacy that would be a reasonable dispensing fee and ingredient cost) please indicate whether the state recoups the excess and returns the Federal share of the excess to CMS on the quarterly expenditure report.

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**RESPONSE:**

**The State does not have any public/governmental providers receiving payments that exceed their reasonable costs of services provided.**

4. What percentage of Louisiana’s pharmacies participate in Medicaid?

**RESPONSE:**

**According to the Louisiana Board of Pharmacy, there are 1,250 licensed pharmacies in Louisiana. Of those, 99.6 percent (1,245) had an open enrollment segment and 98.96 percent (1,237) had a paid or adjusted claim/encounter in calendar year 2017.**

5. Does the state have data that demonstrates that the Medicaid population has comparable access to pharmacy services as the general population? If so, please provide.

**RESPONSE:**

**The State does not have access to data to determine access to pharmacy services in the general population of Louisiana; however, 70 percent (1,092,065) of the 1,559,810 eligible Louisiana Medicaid recipients had at least one paid or adjusted claim/encounter during calendar year 2017.**