

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group

August 3, 2018

Jen Steele, Medicaid Director
Department of Health
628 North 4th Street
P.O. Box 91030
Baton Rouge, LA 70821-9030

Dear Ms. Steele,

We have reviewed the Louisiana State Plan Amendment (SPA) 18-0004 received in the Centers for Medicare and Medicaid Services (CMS) Dallas Regional Office on May 11, 2018. This amendment addresses concerns raised in the companion letter issued with Louisiana SPA 17-0008 to obtain a better understanding as to how the state will monitor its program to ensure that the reimbursement rates for physician administered drugs available to Louisiana physician practitioner providers are current, along with how often the state update these rates.

We have had several communications with your staff concerning the proposed changes to your Medicaid state plan and we appreciate your responses to our concerns. Nevertheless, before we can continue processing SPA 18-0004, we need clarifying information regarding the state's documentation to support the proposed changes. Therefore, we are requesting additional information pursuant to Section 1915(f) of the Social Security Act (the Act).

Access

1. Please discuss whether the proposed reimbursement changes for covered outpatient drugs administered in a physician's office will affect beneficiary access to providers and if so, please discuss your plans to ensure access.
2. Has the state received any comments/concerns from stakeholders regarding the proposed changes? If so, how has the state addressed the concern(s)?

Attachment 4.19-B

3. In the Informal Response for Additional Information (additional questions), the state indicated removal of the "point of sale" language from the plan page; therefore please remove reference to the POS in 1.b.

4. In the Informal Response for Additional Information (additional questions), the state indicated that “For 340B physician administered drugs: Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) are reimbursed with the all-inclusive encounter rate. Outpatient hospital is reimbursed on a cost to charge ratio as indicated in number 2: “This applies to both 340B and regular drug stock in this setting.””

In consideration of the state’s response, we recommend the state consider clarifying section 3. 340B Physician Administered Drugs, i.e.

“For those Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) that are reimbursing using the encounter rate, reimbursement for 340B physician administered drugs will be encompassed in the all-inclusive rate. All other 340B physician administered drugs will be reimbursed in accordance with section 2. Outpatient Hospital Setting.”

This request for additional information (RAI) is made pursuant to Section 1915(f) of the Social Security Act and will stop the 90-day period for CMS’s review and approval of a SPA. Upon receipt of your additional information, a new 90-day period will begin. In accordance with our guidelines to all State Medicaid Directors, dated January 2, 2001, we request that you provide a formal response to this RAI no later than 90 days from the date of this letter. If you do not provide us with a formal response by that date, we will conclude that the state has not established that the proposed SPA is consistent with all statutory and regulatory requirements and will initiate disapproval action on the amendment.

In order to be considered an official response, we ask that you respond to this RAI via the Dallas Regional Office SPA/Waiver mail box at SPA_Waivers_Dallas_R06@cms.hhs.gov. In addition, please send hard copies to the Dallas Regional Office and to me at the address above.

If you have any questions regarding this request, please contact Terry Simananda at (410) 786-8144 or Terry.Simananda@cms.hhs.gov.

Sincerely,

/s/

John M. Coster, Ph.D., R.Ph.
Director
Division of Pharmacy

cc: Bill Brooks, ARA, Dallas Regional Office
Cheryl Rupley, Dallas Regional Office