

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Dallas Regional Office  
1301 Young Street  
Dallas, Texas 75202



**Division of Medicaid & Children's Health**

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5 November, 2018

Reference: **SPA – LA 18-016**  
**(Pharmacy Benefits Management Program - Managed Care Supplemental Rebates)**

Ms. Jen Steele  
Louisiana Department of Health and Hospitals  
State Medicaid Director  
628 North Fourth Street  
Baton Rouge, Louisiana 70821

Dear Ms. Steele

This is to acknowledge receipt of State's Withdraw E-Mail Message Dated 5 Nov 2018, noting Withdrawal of State Plan Transmittal No.18-016. This action is reflected on the enclosed CMS-179. For your convenience, we are enclosing copies of the material withdrawn. If you have any questions, please call Cheryl Rupley at 214-767-6278

Sincerely,

*Marsha Marks*

Marsha Marks, Health Insurance Specialist  
Centers for Medicare and Medicaid Services  
Division of Medicaid and Children's Health

Enclosures:

State's Letter Dated 5 Nov 2018  
Copies of Withdrawn Material



**State of Louisiana**  
Louisiana Department of Health  
Bureau of Health Services Financing

**VIA ELECTRONIC MAIL ONLY**

November 5, 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. 18-0016 Pharmacy Benefits Management Program -  
Managed Care Supplemental Rebates**

Please refer to the above proposed amendment submitted under transmittal number (TN) 18-0016 with an effective date of January 1, 2019. The SPA proposed to amend the provisions governing The Optimal PDL Solution (TOP\$) State Supplemental Rebate Agreement Program, in order to include pharmacy utilization of managed care organizations (MCOs) that participate in the Healthy Louisiana Program and implement a single state managed preferred drug list to maximize supplemental rebates on MCO utilization.

The Department no longer wishes to pursue this State Plan amendment and requests that LA SPA TN 18-0016 be withdrawn from consideration.

Sincerely,

A handwritten signature in blue ink that reads "Jen Steele".

*Jen* Jen Steele  
Medicaid Director

JS/DAB/MJ

**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**

September 20, 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. 18-0016

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,

A handwritten signature in blue ink that reads "Cindy Rues".

Rebekah E. Gee MD, MPH  
Secretary

Withdrawn per State's Letter Dated  
5 November, 2018

Attachments (3)

REG: JS: MJ



Withdrawn per State's Letter  
Date 5 November, 2018

LA TITLE XIX SPA  
 TRANSMITTAL #: 18-0016  
 TITLE: Pharmacy Benefits Management Program - Managed Care Supplemental Rebates  
 EFFECTIVE DATE: January 1, 2019

**FISCAL IMPACT:**  
Increase and Decrease

	year	% inc.	fed. match	*# mos	range of mos.	dollars
1st SFY	2019		%	6	January 2019 - June 2019	\$13,460,000
2nd SFY	2020		0.00%	12	July 2019- June 2020	-\$5,860,000
3rd SFY	2021		0.00%	12	July 2020 - June 2021	-\$5,860,000

\*#mos-Months remaining in fiscal year

**Total Increase or Decrease Cost FFY 2019**

SFY 2019 \$13,460,000 for 6 months January 2019 - June 2019 \$13,460,000

SFY 2020 (\$5,860,000) for 12 months July 2019- June 2020  
 (\$5,860,000) / 12 X 3 July 2018 - September 2018 = (\$1,465,000)  
\$11,995,000

**FFP (FFY 2019 ) = \$11,995,000 X 65.00% = \$7,796,750**

**Total Increase or Decrease Cost FFY 2020**

SFY 2020 (\$5,860,000) for 12 months July 2019- June 2020  
 (\$5,860,000) / 12 X 9 October 2018 - June 2019 = (\$4,395,000)

SFY 2021 (\$5,860,000) for 12 months July 2020 - June 2021  
 (\$5,860,000) / 12 X 3 July 2019 - September 2019 = (\$1,465,000)  
(\$5,860,000)

**FFP (FFY 2020 )= (\$5,860,000) X 66.05% = (\$3,870,530)**

STATE OF LOUISIANA

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

- d. Manufacturers are allowed to audit utilization data;
  - e. The unit rebate amount is confidential and cannot be disclosed for purposes other than rebate invoicing and verification; and
  - f. The Department will utilize the same processes to resolve State Supplemental rebate issues as it uses to resolve federal rebate disputes and as outlined in CMS' *Best Practices Guide for Dispute Resolution Under the Medicaid Drug Rebate Program*.
4. The Department is also in compliance with state regulations relative to the confidentiality of supplemental rebate information contained in the records of the Department and its agents.
  5. A rebate agreement between the state and a drug manufacturer for drugs provided to the Medicaid program, submitted to CMS on April 8, 2002 and entitled "Supplemental Rebate Agreement", was previously authorized by CMS on April 25, 2002.
  6. CMS has authorized the state of Louisiana to enter into *The Optimal PDL Solution (TOP\$)*. This Supplemental Drug Rebate Agreement was submitted to CMS on November 5, 2013, and has been authorized by CMS effective October 1, 2013.

**E. Managed Care Organization Utilization**

Effective January 1, 2019, the TOP\$ State Supplemental Rebate Agreement Program shall include pharmacy utilization of managed care organizations (MCOs) that participate in the Healthy Louisiana Program for state supplemental drug rebates.

1. The Healthy Louisiana Program's contracts with the participating MCOs shall:
  - a. allow inclusion of the pharmacy utilization data for supplemental rebate purposes; and
  - b. mandate that each participating MCO shall align their respective formulary(ies) and/or preferred drug list (PDL), as applicable, to the fee-for-service (FFS) preferred drug list. MCO prior authorization criteria shall not be more restrictive than FFS.

Withdrawn per State's Letter Dated  
5 November, 2018

STATE OF LOUISIANA

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

2. The Department shall implement a single state-managed PDL for all participating MCOs, in order to maximize the supplemental and federal rebates on MCO utilization.

The MCOs shall not enter into agreements with manufacturers of drugs listed in the single PDL to acquire discounts or rebates.

3. Supplemental rebates on MCO utilization shall be excluded from best price or average manufacturer price (AMP) calculations.

Withdrawn per State's Letter Dated  
5 November, 2018