



State of Louisiana
Louisiana Department of Health
Office of the Secretary

VIA ELECTRONIC MAIL ONLY

March 4, 2019

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. 19-0006

Dear Mr. Brooks:

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. Should you have any questions or concerns regarding this matter, please contact Karen Barnes at (225) 342-3881 or via email at Karen.Barnes@la.gov.

Warmly,


_____, for
Rebekah E. Gee MD, MPH
Secretary

Attachments (3)

REG:JS:MJ

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER
19-0006

2. STATE
Louisiana

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

4. PROPOSED EFFECTIVE DATE
May 1, 2019

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
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 Subpart I

7. FEDERAL BUDGET IMPACT

- a. FFY 2019 **\$ 2,574,582**
b. FFY 2020 **\$(5,308,320)**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 3.1-A, Item 12a, Page 4

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

SAME (TN 17-0008)

10. SUBJECT OF AMENDMENT: **The purpose of this SPA is to amend the provisions governing the Pharmacy Benefits Management Program in order to implement a single state-managed preferred drug list (PDL).**

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

Cindy Rives for

13. TYPED NAME

Cindy Rives, designee for Rebekah E. Gee MD, MPH

14. TITLE

Secretary

15. DATE SUBMITTED

March 4, 2019

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**

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 #: 19-0006

TITLE: Pharmacy Benefits Management Program - Single PDL

EFFECTIVE DATE: May 1, 2019

FISCAL IMPACT:

Increase

	year	% inc.	fed. match	*# mos	range of mos.	dollars
1st SFY	2019		%	*1	June 2019	\$6,607,380
2nd SFY	2020			12	July 2019- June 2020	-\$10,585,940
3rd SFY	2021			12	July 2020 - June 2021	

*Implementation May 1 2019, with a one month claim lag.

Total Increase or Decrease Cost FFY 2019

SFY 2019 \$6,607,380 for *1 months June 2019 \$6,607,380

SFY 2020 (\$10,585,940) for 12 months July 2019- June 2020
 (\$10,585,940) / 12 X 3 July 2018 - September 2018 = (\$2,646,485)
\$3,960,895

FFP (FFY 2019) = \$3,960,895 X 65.00% = \$2,574,582

Total Increase or Decrease Cost FFY 2020

SFY 2020 (\$10,585,940) for 12 months July 2019- June 2020
 (\$10,585,940) / 12 X 9 October 2018 - June 2019 = (\$7,939,455)

SFY 2021 \$0 for 12 months July 2020 - June 2021
 \$0 / 12 X 3 July 2019 - September 2019 = \$0
(\$7,939,455)

FFP (FFY 2020)= (\$7,939,455) X 66.86% = (\$5,308,320)

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. Single State-Managed Preferred Drug List

Effective May 1, 2019, the Department shall implement a single state-managed PDL for all participating MCOs and for fee-for-service.

TN _____ Approval Date _____ Effective Date _____
Supersedes
TN _____