



**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. 19-0008

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](mailto:Karen.Barnes@la.gov).

Warmly,

  
\_\_\_\_\_, for  
Rebekah E. Gee MD, MPH  
Secretary

Attachments (3)

REG:JS:MJ

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <b>19-0008</b>	2. STATE <b>Louisiana</b>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <b>May 1, 2019</b>	

5. TYPE OF PLAN MATERIAL (Check One)

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

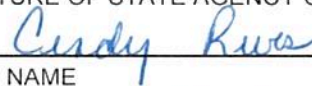
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION  <b>42 CFR 447 Subpart I</b>	7. FEDERAL BUDGET IMPACT a. FFY <u>2019</u> <b>\$1,215,663</b> b. FFY <u>2020</u> <b>\$2,255,021</b>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  <b>Attachment 4.19-B, Item 12a, Page 1</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <b>SAME (TN 17-0008) (also Pending 19-0007)</b>

10. **SUBJECT OF AMENDMENT: The purpose of this SPA is to amend the provisions governing reimbursement in the Pharmacy Benefits Management Program in order to increase the professional dispensing fee to \$10.99 per prescription.**

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 <b>Jen Steele, Medicaid Director State of Louisiana Department of Health 628 North 4<sup>th</sup> Street P.O. Box 91030 Baton Rouge, LA 70821-9030</b>
13. TYPED NAME <b>Cindy Rives, designee for Rebekah E. Gee MD, MPH</b>	
14. TITLE <b>Secretary</b>	
15. DATE SUBMITTED <b>March 4, 2019</b>	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED	18. DATE APPROVED
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**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 #: 19-0008

TITLE: Pharmacy Benefits Management Program - Professional Dispensing Fee

EFFECTIVE DATE: May 1, 2019

FISCAL IMPACT:

Increase

	year	% inc.	fed. match	*# mos	range of mos.	dollars
1st SFY	2019		%	*1	June 2019	\$746,000
2nd SFY	2020			12	July 2019- June 2020	\$4,497,000
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 \$746,000 for \*1 months June 2019 \$746,000

SFY 2020 \$4,497,000 for 12 months July 2019- June 2020  
 \$4,497,000 / 12 X 3 = July 2018 - September 2018 = \$1,124,250  
\$1,870,250

**FFP (FFY 2019 ) = \$1,870,250 X 65.00% = \$1,215,663**

**Total Increase or Decrease Cost FFY 2020**

SFY 2020 \$4,497,000 for 12 months July 2019- June 2020  
 \$4,497,000 / 12 X 9 = October 2018 - June 2019 = \$3,372,750

SFY 2021 \$0 for 12 months July 2020 - June 2021  
 \$0 / 12 X 3 = July 2019 - September 2019 = \$0  
\$3,372,750

**FFP (FFY 2020 )= \$3,372,750 X 66.86% = \$2,255,021**

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:**

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

**Prescribed drugs are reimbursed as follows:**

**I. PROFESSIONAL DISPENSING FEE**

The Department has established a professional dispensing fee which shall be reviewed periodically for reasonableness, and when deemed appropriate by Louisiana Medicaid, may be adjusted considering such factors as fee studies or surveys.

The pharmacy provider will be reimbursed at the appropriate ingredient cost plus the maximum allowable professional dispensing fee or the usual and customary charge, whichever is less

**Professional Dispensing Fee Amount**

1. The professional dispensing fee for drugs dispensed to Louisiana Medicaid enrollees will be \$10.99 per prescription. The provider fee will be reimbursed separately, per legislative mandate.
2. The professional dispensing fee for drugs dispensed to Louisiana Medicaid enrollees and obtained through the Public Health Service 340B Program will be \$10.99 per prescription. The provider fee will be reimbursed separately, per legislative mandate.

**II. PHARMACY REIMBURSEMENT METHODOLOGY**

Prescription drugs covered by Louisiana Medicaid shall be reimbursed according to the following:

**Brand Name Drugs**

Payment for single source drugs (brand name drugs) shall be based on the lower of:

1. Louisiana Average acquisition cost (AAC) plus a professional dispensing fee:
  - a. If no AAC is available, use the wholesale acquisition cost (WAC) plus the professional dispensing fee;
  - or
2. the provider's usual and customary charges to the general public.