

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

May 21, 2019

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

Dear Ms. Steele:

We have reviewed Louisiana's State Plan Amendment (SPA) 19-0008 received in the Dallas Regional Operations Group on March 4, 2019. This amendment proposes to increase the professional dispensing fee from \$10.41 to \$10.99. In considering the proposed pharmacy reimbursement methodology, the state was required to provide adequate data, such as national or state surveys or studies, or other reliable data to demonstrate that the professional dispensing fee being paid are sufficient to ensure that Louisiana Medicaid beneficiaries will have access to pharmacy services. In keeping with the requirements of section 1902(a)(30)(A) of the Social Security Act, we believe the state demonstrated that their reimbursement is consistent with efficiency, economy, and quality of care, and are sufficient to ensure that care and services are available to at least the extent they are available to the general population in the geographic area.

We believe that there is evidence regarding the sufficiency of Louisiana's pharmacy provider network at this time to approve SPA 19-0008. Specifically, Louisiana has reported to CMS that there are 1,139 open in-state pharmacy providers enrolled in Medicaid. There are 1,199 outpatient retail pharmacies licensed in the state. Therefore, approximately 95 percent of the licensed pharmacies in the state are enrolled in Medicaid showing a comparable access for the Medicaid population as the general population.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 19-0008 is approved with an effective date of May 1, 2019. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into Louisiana's state plan will be forwarded by the Dallas Regional Operations Group.

If you have any questions regarding this amendment, 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, Director, Dallas Regional Operations Group
Cheryl Rupley, Dallas Regional Operations Group

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER 19-0008	2. STATE Louisiana
	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 May 1, 2019
---	--

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 <u>2019</u> \$1,215,663 b. FFY <u>2020</u> \$2,255,021
---	--

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Item 12a, Page 1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) SAME (TN 17-0008) (also Pending 19-0007) SAME (TN 19-0007)
--	--

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED March 4, 2019	18. DATE APPROVED May 21, 2019
---	--

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL May 1, 2019	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME Bill Brooks	22. TITLE Director Regional Operations Group

23. REMARKS **The State requests a pen and ink change to box 9.**

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.
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.

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. National Average Drug Acquisition Cost (NADAC) plus the professional dispensing fee:
 - a. If the NADAC is not 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.

State: Louisiana
Date Received: 3-4-2019
Date Approved: 5-21-2019
Date Effective: 5-01-2019
Transmittal Number: 19-0008

TN 19-0008 Approval Date May 21, 2019 Effective Date May 1, 2019

Supersedes
TN 19-0007