

John Bel Edwards
GOVERNOR



Stephen R. Russo, JD
SECRETARY

State of Louisiana
Louisiana Department of Health
Office of the Secretary

September 13, 2023

James G. Scott, Director
Division of Program Operations
Medicaid & CHIP Operations Group
601 East 12th Street, Room 0300
Kansas City, Missouri 64106-2898

RE: Louisiana Title XIX State Plan
Transmittal No. 23-0024

Dear Mr. Scott:

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.

Sincerely,


_____, for
Stephen R. Russo, JD
Secretary

Attachments (3)

SRR:KS:NF

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER
23-0024

2. STATE
LA

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

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447 Subpart D

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. **FFY 2024** \$ **4,916,936**

b. **FFY 2025** \$ **4,941,641**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, Item 12a, Page 1

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Same (TN 19-0008)

9. 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 \$11.81 per prescription.

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
The Governor does not review State Plan material.

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

Pam Diez, designee for Stephen R. Russo, JD

13. TITLE

Secretary

14. DATE SUBMITTED

September 13, 2023

15. RETURN TO

**Kimberly Sullivan
Interim Medicaid Executive Director
Louisiana Department of Health
628 North 4th Street
P.O. Box 91030
Baton Rouge, LA 70821-9030**

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

LA TITLE XIX SPA

TRANSMITTAL #: 23-0024

TITLE: Pharmacy Benefit Management Program - Professional Dispensing Fee

EFFECTIVE DATE: October 1, 2023

FISCAL IMPACT:

Increase

	year	% inc.	fed. match	*# mos	range of mos.	dollars
1st SFY	2024		67.67%	9	October 2023 - June 2024	\$7,266,050
2nd SFY	2025		68.01%	12	July 2024 - June 2025	\$7,266,050
3rd SFY	2026		68.01%	12	July 2025 - June 2026	\$7,266,050

*#mos-months remaining in fiscal year

Total increase or decrease cost FFY 2024

$$\$7,266,050 \text{ / for } 12 \text{ x } \# \text{ months } \text{ October 2023 - September 2024 } \quad \$7,266,050 \text{ x } 67.67\% \quad = \quad \underline{\underline{\$4,916,936}}$$

Total increase or decrease cost FFY 2025

$$\$7,266,050 \text{ / for } 12 \text{ X } \# \text{ months } \text{ October 2024 - September 2025 } \quad \$7,266,050 \text{ x } 68.01\% \quad = \quad \underline{\underline{\$4,941,641}}$$

STATE OF LOUISIANA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – OTHER
TYPES OF CARE OR SERVICES 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	Care and Services	<u>Prescribed by a Physician Skilled in Diseases of the Eye, or by an</u>
447	Item 12.a.	<u>Optometrist.</u>
Subpart D		

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 beneficiaries will be \$11.81 per prescription.
2. The professional dispensing fee for drugs dispensed to Louisiana Medicaid beneficiaries and obtained through the Public Health Service 340B Program will be \$11.81 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:
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.