

Bob Wertz, Louisiana Commission on Law Enforcement,
P.O. Box 3133, Baton Rouge, LA 70821.

Jim Craft
Executive Director

NOTICE OF INTENT

**Department of Health
Bureau of Health Services Financing**

Pharmacy Benefit Management Program
Over-the-Counter Coverage
(LAC 50:XXIX.107)

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Formula for Distribution
of Federal Funds**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

There are no implementation costs to state or local governmental units as a result of the proposed rule.

In compliance with the new formula that was adopted by the Louisiana Commission on Law Enforcement at its June 23, 2023, meeting, the proposed rule revises the distribution formula for federal grant funds to the eight (8) law enforcement planning districts.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There will be no effect on revenue collections of state or local governmental units as a result of this proposed rule.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS (Summary)

There is an anticipated impact to law enforcement planning districts, which are non-governmental groups.

As indicated in the chart below, some districts (Northwest, Capital, and Metropolitan) will experience an increase in revenue due to the reallocation. Other districts (North Delta, Red River, Evangeline, Southwest, and Orleans) will experience a decrease in revenue due to the reallocation.

The proposed distribution formula percentage for each Law Enforcement Planning District is being revised as follows:

Law Enforcement Planning District	Existing Formula Distribution Percentage	Revised Formula Distribution Percentage
Northwest	11.07	12.20
North Delta	10.77	10.09
Red River	9.74	9.59
Evangeline	10.66	10.28
Capital	15.95	19.31
Southwest	10.44	10.11
Metropolitan	15.48	17.79
Orleans	15.89	10.63

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule has no known effect on competition and employment.

Jim Craft
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Patrice Thomas
Deputy Fiscal Officer
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The Department of Health, Bureau of Health Services Financing proposes to amend LAC 50:XXIX.107 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act. This proposed Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

The U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) issued guidance requesting that states consider removing the list of specific over-the-counter (OTC) drugs covered in the Medical Assistance Program from the Medicaid State Plan and include these OTC drugs in the provider manual. The Department of Health, Bureau of Health Services Financing proposes to amend the provisions governing the Pharmacy Benefit Management Program in order to remove references to specific OTC drugs from the *Louisiana Administrative Code* to align the administrative Rule with the Medicaid State Plan.

**Title 50
PUBLIC HEALTH—MEDICAL ASSISTANCE
Part XXIX. Pharmacy**

Chapter 1. General Provisions

§107. Prior Authorization

A. - C.3. ...

D. Drugs Excluded from Coverage. As provided by §1927(d)(2) of the Social Security Act, the following drugs are excluded from program coverage:

1. - 3. ...

4. select prescription vitamins and mineral products, except:

a. - n. ...

o. urinary PH modifiers (phosphorus, specifically K Phos Neutral and Phospha Neutral);and

5. select over-the-counter covered outpatient drugs as determined by the department.

E. - E.2. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254, Title XIX of the Social Security Act, and the 1995-96 General Appropriations Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing, LR 32:1053 (June 2006), amended by the Department of Health, Bureau of Health Services Financing, LR 43:1180 (June 2017), LR 43:1553 (August 2017), amended LR 45:665 (May 2019), LR 46:33 (January 2020), LR 48:1582 (June 2022), LR 49:

Implementation of the provisions of this Rule may be contingent upon the approval of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), if it is determined that submission to CMS for review and approval is required.

Family Impact Statement

In compliance with Act 1183 of the 1999 Regular Session of the Louisiana Legislature, the impact of this proposed Rule on the family has been considered. It is anticipated that this proposed Rule will have a no impact on family functioning, stability and autonomy as described in R.S. 49:972.

Poverty Impact Statement

In compliance with Act 854 of the 2012 Regular Session of the Louisiana Legislature, the poverty impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on child, individual, or family poverty in relation to individual or community asset development as described in R.S. 49:973.

Small Business Analysis

In compliance with the Small Business Protection Act, the economic impact of this proposed Rule on small businesses has been considered. It is anticipated that this proposed Rule will have no impact on small businesses.

Provider Impact Statement

In compliance with House Concurrent Resolution (HCR) 170 of the 2014 Regular Session of the Louisiana Legislature, the provider impact of this proposed Rule has been considered. It is anticipated that this proposed Rule will have no impact on the staffing level requirements or qualifications required to provide the same level of service, no direct or indirect cost to the provider to provide the same level of service, and will have no impact on the provider's ability to provide the same level of service as described in HCR 170.

Public Comments

Interested persons may submit written comments to Tara A. LeBlanc, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. Ms. LeBlanc is responsible for responding to inquiries regarding this proposed Rule. The deadline for submitting written comments is at 4:30 p.m. on October 30, 2023.

Public Hearing

Interested persons may submit a written request to conduct a public hearing by U.S. mail to the Office of the Secretary ATTN: LDH Rulemaking Coordinator, Post Office Box 629, Baton Rouge, LA 70821-0629; however, such request must be received no later than 4:30 p.m. on October 10, 2023. If the criteria set forth in R.S. 49:961(B)(1) are satisfied, LDH will conduct a public hearing at 9:30 a.m. on October 26, 2023 in Room 118 of the Bienville Building, which is located at 628 North Fourth Street, Baton Rouge,

LA. To confirm whether or not a public hearing will be held, interested persons should first call Allen Enger at (225) 342-1342 after October 10, 2023. If a public hearing is to be held, all interested persons are invited to attend and present data, views, comments, or arguments, orally or in writing.

Stephen R. Russo, JD
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Pharmacy Benefit Management Program—Over the Counter Coverage

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

It is anticipated that implementation of this proposed Rule will have no programmatic fiscal impact to the state other than the cost of promulgation for FY 23-24. It is anticipated that \$540 (\$270 SGF and \$270 FED) will be expended in FY 23-24 for the state's administrative expense for promulgation of this proposed rule and the final rule.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is anticipated that the implementation of this proposed rule will have no effect on revenue collections other than the federal share of the promulgation costs for FY 23-24. It is anticipated that \$270 will be collected in FY 23-24 for the federal share of the expense for promulgation of this proposed rule and the final rule.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS (Summary)

This proposed rule amends the provisions governing the Pharmacy Benefit Management Program in order to remove references to specific over the counter (OTC) drugs covered in the Medical Assistance Program from the Louisiana Administrative Code. This action is a result of guidance issued by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services requesting that states consider removing the list of covered OTC drugs from the Medicaid State Plan and include these items in the provider manual, which requires a corresponding change to the administrative rule. Implementation of this proposed rule will not result in costs to pharmacy providers, small businesses, or the Medicaid Program in FY 23-24, FY 24-25, and FY 25-26, since this rule does not change the drugs that are currently covered in the Medicaid Program.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This rule has no known effect on competition and employment.

Tara A. LeBlanc
Medicaid Executive Director
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