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:

CITATION 42 CFR 440.120	Medical and Remedial Care and Services Item 12.a.	Prescribed drugs and Prosthetic Devices; and Eyeglasses Prescribed by a Physician Skilled in Diseases of the Eye or by an Optometrist

Item 12.a. Prescribed drugs are limited as follows:

Vendor payments are made for prescribed medications and/or supplies. The medications must be prescribed by a practitioner authorized to prescribe under State law. The National Drug Code (NDC) must be shown on each pharmaceutical claim form for reimbursement of prescription drugs subject to rebates from manufacturers as prescribed by mandatory federal law and regulations.

A. Drugs for Full Benefit Dual Eligible

Effective January 1, 2006, Louisiana Medicaid will not reimburse any drug for full-benefit dual eligible individuals who are entitled to receive Medicare benefits under Part A or Part B, which would entitle the dual eligible individual to receive drug benefits under the Medicare Prescription Drug Benefit, Part D. The only drugs covered for the full-benefit dual eligible by Louisiana Medicaid are those subject to restriction under Section 1927(d) (2) of the Social Security Act.

B. Medicaid Coverage of Drugs Restricted Under Section 1927(d) (2) of the Social Security Act

The Medicaid Program will provide coverage for the following drugs which may be excluded, or otherwise restricted, under the provisions of Section 1927(d)(2) of the Social Security Act. The Medicaid agency will not pay when Medicare Part B or Part D plans reimburse for these drugs.

Excluded Drugs:

☒ Select agents when used for anorexia, weight loss, or weight gain will be covered as listed in the State's provider manual.

☒ Select agents when used to promote fertility will be covered as listed in the State's provider manual.

☒ Select agents when used for symptomatic relief of cough and colds will be covered as listed in the State's provider manual.

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☒ Select prescription vitamins and mineral products will be covered as listed in the State's provider manual

☒ Select nonprescription drugs will be covered as listed in the State's provider manual

☐ Covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee.

Otherwise Restricted Drugs:

☒ The state will cover agents when used for cosmetic purposes or hair growth only when the state has determined that use to be medically necessary.

☒ Select drugs for erectile dysfunction, except
When used for the treatment of conditions, or indications approved by the FDA, other than erectile dysfunction.

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C. Monthly Prescription Limit

1. The program will pay for a maximum of four prescriptions per calendar month for Medicaid recipients.
2. The following federally mandated recipient groups are exempt from the four prescriptions per calendar month limitations:
   a. Persons under 21 years of age;
   b. Persons who are residents of long-term care institutions, such as nursing facilities and intermediate care facilities for individuals with intellectual disabilities; and
   c. Pregnant women.
3. The four prescriptions per month limit can be exceeded when the prescriber determines an additional prescription is medically necessary.
4. Pharmacists and prescribers are required to maintain documentation to support the override of a prescription limitation.

D. Supplemental Drug Rebates

1. As authorized by LA R.S. 46:153.3 (B)(2)(a) the State Supplemental Drug Rebate program is effective April 1, 2002.
2. The state negotiates supplemental rebates from manufacturers that are in addition to those mandated by Title XIX of the Social Security Act.
3. The Department is in compliance with Section 1927 of the Social Security Act. Based on the requirements for Section 1927, the Department has the following policies for drug rebate agreements:
   a. The drug file permits coverage of participating manufacturers' drugs;
   b. The program is in compliance with reporting for state utilization information and restrictions to coverage;
   c. Rebate agreements between the Department and a drug manufacturer that are separate from the drug rebate agreements of Section 1927 are approved by the Centers for Medicare and Medicaid Services. The Department reports supplemental rebates from separate agreements to the Secretary for Health and Human Services. The Department will remit the federal portion of any state supplemental rebates collected.

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. CMS has authorized the template for the State of Louisiana to enter into a single, state-specific Supplemental Rebate Agreement between the State and a drug manufacturer(s) for both fee-for-service and those paid by contracted managed care organizations (MCOs) in the Medicaid program, submitted to CMS on May 15, 2019, entitled "*State of Louisiana Supplemental Rebate Agreement*" and has been authorized by CMS effective July 1, 2019.
6. CMS has authorized the state of Louisiana to enter into *The Optimal PDL Solution (TOP$).* This Supplemental Drug Rebate Agreement was submitted to CMS on November 5, 2013, and has been authorized by CMS effective October 1, 2013. The TOP$ supplemental rebate agreements would apply to the drug benefit, both fee-for-service and those paid by contracted managed care organizations (MCOs), under prescribed conditions in Attachment A-2 of the TOP$ Supplemental Rebate Agreement, effective May 1, 2019.
7. The Department may enter into an agreement with a pharmaceutical manufacturer for outcomes-based contracts on a voluntary basis. The contracts will be executed on a model agreement entitled "*Value-Based Supplemental Rebate Agreement*" submitted to CMS on December 30, 2019, with an effective date of January 20, 2020.

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.

F. Drug Shortages

Prescribed drugs that are not covered outpatient drugs, including drugs authorized for import by the Food and Drug Administration (FDA), may be covered when deemed medically necessary during drug shortages identified by the FDA, as listed on the state's website.