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State/Territory: Louisiana

State Plan Amendment (SPA) #: 23-0024

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form
- 3) Approved SPA Page

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

Medical Benefits Health Programs Group

December 7, 2023

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

Dear Kimberly Sullivan,

The CMS Division of Pharmacy team has reviewed Louisiana's State Plan Amendment (SPA) 23-0024 received in the CMS Medicaid & CHIP Operations Group on September 13, 2023. This SPA proposes to increase the professional dispensing fee from \$10.99 to \$11.81 per prescription.

In keeping with the requirements of section 1902 (a)(30)(A) of the Social Security Act, we believe the state has 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 Medicaid beneficiaries at least to 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 23-0024. Specifically, Louisiana has reported to CMS that 1,137 of the state's 1,179 licensed in-state retail pharmacies are enrolled in Louisiana's Medicaid program. With a 96 percent participation rate, we can infer that Louisiana's beneficiaries will have access to pharmacy services at least to the extent available to the general population since Medicaid requires that beneficiaries be provided access to all covered outpatient drugs of participating drug manufacturers with a rebate agreement through a broad pharmacy network. In contrast, commercial insurers often have more limited drug formularies and a more limited pharmacy network.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 23-0024 is approved with an effective date of October 1, 2023. Our review was limited to the materials necessary to evaluate the SPA under applicable federal laws and regulations.

We are attaching a copy of the revised, signed CMS-179 form, as well as the page approved for incorporation into Louisiana's state plan. If you have any questions regarding this amendment,

please contact Terry Simananda at (410) 786-8144 or terry.simananda@cms.hhs.gov.

Sincerely,



Mickey Morgan
Deputy Director
Division of Pharmacy

cc: Karen Barnes, Louisiana Department of Health and Human Services
Marjorie Jenkins, Louisiana Department of Health and Human Services
Krystal Ceasor, Louisiana Department of Health and Human Services
Najah Freeman, Louisiana Department of Health and Human Services
Ucheoma Nwagbara, Louisiana Department of Health and Human Services
Tobias Griffin, Louisiana Medicaid State Lead, CMS

**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

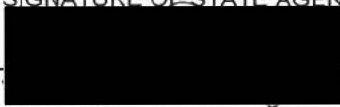
The purpose of this SPA is to amend the provisions governing reimbursement in the Pharmacy Benefits Management program in order to increase the professional dispensing fee to \$11.81 per prescription.

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. 
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
September 13, 2023

17. DATE APPROVED
December 7, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
October 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Mickey Morgan

21. TITLE OF APPROVING OFFICIAL
Deputy Director, Division of Pharmacy

22. REMARKS

The State requests a pen and ink change to box 14

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.