Preferred Drug List

A subset of the CDL shall be the Preferred Drug List (PDL). The PDL is established by LDH and indicates the preferred and non-preferred status of covered drugs.

The PDL shall be maintained by LDH and made available on the LDH website [link]. The MCO shall make the PDL available to its providers and enrollees through electronic prescribing tools and a static link on the MCO website to the PDL maintained on the LDH website.

LDH shall provide the MCO with a list of drugs included on the PDL by NDC number after each FFS Pharmaceutical and Therapeutics Committee (P&T) meeting and upon the Secretary's approval of P&T recommendations. Changes shall be implemented January 1 and July 1 after the P&T meeting, unless otherwise directed by LDH. LDH shall provide the MCO at least 30 days written notice prior to the implementation date of any changes to the list of drugs included on the PDL.

LDH shall monitor the rate of MCO compliance with the PDL. Compliance rate shall be defined as the number of preferred prescriptions paid (drugs classified with PA Indicators 1 & 3) divided by total prescriptions paid for drugs in therapeutic classes listed on the PDL (drugs classified with PA Indicators 1-4). The MCO shall achieve at least a 92% overall compliance rate and at least a 92% compliance rate for each medication on the brand-over-generic list provided by LDH (calculated as brand/(brand + generic)). The PDL compliance rate shall be calculated at the sole determination of LDH. Failure to meet both of these standards may result in monetary penalties as set forth in the Contract.

New drugs entering the marketplace in the PDL therapeutic classes shall be added as non-preferred until P&T reviews the drug, unless otherwise directed by LDH.

If a branded product with generic available is preferred on the PDL, the MCO shall not require the prescriber to indicate in writing that the branded product is medically necessary. The MCO shall reimburse for a brand name drug at a brand reimbursement when the brand drug is preferred. POS denial messaging for the generic entity shall indicate that the brand name is preferred.

The fiscal intermediary will post weekly drug file data for the MCO. The MCO shall have three business days after receipt of file to download and implement drug prior authorization status, for drugs covered as an outpatient pharmacy benefit.

There shall be a mandatory generic substitution for all drugs, when a generic is available, unless the brand is justified with applicable dispense as written (DAW) codes or the brand is preferred.

Claims for multi-source "Brand Name Products" that are not included in the PDL/NPDL process (drugs not listed on the Preferred Drug List on the static link), will not be subject to prior authorization. Since the manufacturers of these brand name products have signed the federal rebate agreement, these drugs must have a potential payable status. In consideration of the mandatory generic substitution, we are requiring the MCO/PBMs to allow DAW codes "1", "5," and "9" for brand name processing. We would expect these codes to accommodate the filling of a brand name product without use of prior authorization. Preferred brand over generic drugs should process with DAW 9. Brand name medically necessary from prescriber should process with a DAW 1. Denials of brand drugs (unless the Brand is a preferred drug—in or out of

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the process) should deny with an error code stating “generic substitution required”, mapped to NCPDP 22 (M/I Dispense as written (DAW)/Product selection code).

Manufacturer-Derived Revenue

The MCO shall not negotiate, pursue collection of, or collect Manufacturer-Derived Revenue for prescribed drugs.

The MCO shall diligently and in good faith negotiate, maximize, and pursue collection of all Manufacturer-Derived Revenue for diabetic supplies on behalf of LDH.

The MCO shall report all Manufacturer-Derived Revenue the MCO receives, including any future Manufacturer-Derived Revenue, related to any covered drug or diabetic supply provided under the Contract, according to the Financial Reporting Guide. This provision survives termination of the contract between LDH and the MCO. The MCO shall report all Manufacturer-Derived Revenue received on claims incurred prior to the termination of the contract until one hundred percent (100 percent) of earned Manufacturer-Derived Revenues specific to the contract between LDH and the MCO are paid.

Within ten (10) business days of LDH’s request, the MCO shall provide LDH with unredacted copies of or access to all books, records, and Manufacturer-Derived Revenue agreements with pharmaceutical and diabetic supply manufacturers, intermediaries, subcontractors, wholesalers, or other third parties related to the Contract. This provision applies to the MCO as well as all subcontractors. All such information shall be kept confidential by LDH and shall be exempt from disclosure under the Louisiana Public Records Law.

Within ten (10) business days of LDH’s request, the MCO shall provide LDH an itemized report of all Manufacturer-Derived Revenue amounts received by the MCO and its subcontractors, if applicable, within a specified time period. This report must itemize Manufacturer-Derived Revenue by National Drug Code number and manufacturer, indicate amounts paid to the MCO, and indicate the time frames when the Manufacturer-Derived Revenue was received by the MCO or its subcontractors. The report must also indicate when the Manufacturer-Derived Revenue was paid to the MCO by the PBM, if applicable.

Hepatitis C Project

The MCO shall follow the PDL preferred/non-preferred status and criteria. The MCO PBM shall program denials of 340B claims for all Hepatitis C direct acting anti-viral (DAA) agents. The denials shall be based on the 340B pharmacy list provided by LDH quarterly.

Behavioral Health Specific Pharmacy Policies and Procedures

The MCO shall develop LDH approved policies and procedures that meet or exceed the following requirements:

- The MCO or its subcontractor(s) shall contract with the psychiatric facilities and residential substance use facilities so that the plans are notified upon patient admission and upon patient planned discharge from the psychiatric facility or residential substance use facilities. Prior to discharge the MCO shall be informed of the enrollee's discharge medications. The MCO shall then be responsible to override or allow all behavioral health discharge medications to be dispensed by overriding prior authorization restrictions for a sixty (60) day period. This includes, but is not limited to, naloxone, Suboxone, and long-acting injectable anti-psychotics.
- If the MCO is not notified prior to the discharge and the enrollee presents at the pharmacy with a medication issued at the time of discharge, the MCO shall provide a prior authorization override for a sixty (60) day period from the date of discharge as long as the enrollee presents the prescription within sixty (60) days of being discharged from a psychiatric and/or residential substance use facility.
- The MCO shall have a specific Suboxone, Subutex and methadone management program and approach, which shall be approved by LDH. The policy and procedure must be in accordance with current state and federal statutes in collaboration with the State Opioid Treatment Authority/LDH.
- The MCO shall have a LDH approved pharmacy management program and approach to stimulant prescribing for children under age 6, and persons age 18 or older.
- The MCO shall have a LDH approved program and approach for the prescribing of antipsychotic medications to persons under 18 years of age.
- The MCO shall use encounter, beneficiary, and prescription data to compare Medicaid physician, medical psychologist or psychiatric specialist APRN's prescribing practices to nationally recognized, standardized guidelines, including but not limited to, American Psychiatric Association Guidelines, American Academy of Pediatrics Guidelines, American Academy of Child, and Adolescent Psychiatry Practice Parameters.

Brand Name and Generic Drugs

Claims for multi-source "Brand Name Products" that are not included in the PDL/NPDL process (i.e., drugs not listed on the Preferred Drug List on the static link), shall not be subject to prior authorization. Since the manufacturers of these brand name products have signed the federal rebate agreement, these drugs must have a potential payable status. In consideration of the mandatory generic substitution, LDH requires the MCOs/PBMs to allow dispense as written (DAW) codes "1", "5", and "9" for brand name processing. LDH expects the following codes to accommodate the filling of a brand name product without use of prior authorization:

- DAW "1": Brand name medically necessary from prescriber.
- DAW "5": Substitution allowed-brand drug dispensed as a generic (should be allowed when the brand drug is less expensive for 340B providers).
- DAW "9": Preferred brand over generic drugs.

Denials of brand drugs (unless the brand is a preferred drug—in or out of the process) should deny with an error code stating "generic substitution required", mapped to NCPDP 22 (M/I Dispense as written (DAW)/Product selection code).

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