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 Jen Steele, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821—9030 or by email to MedicaidPolicy@la.gov. Ms. Steele is responsible for responding to inquiries regarding this proposed Rule.

Public Hearing

A public hearing on this proposed Rule is scheduled for Thursday, September 27, 2018 at 9:30 a.m. in Room 118, Bienville Building, 628 North Fourth Street, Baton Rouge, LA. At that time all interested persons will be afforded an opportunity to submit data, views or arguments either orally or in writing. The deadline for receipt of all written comments is 4:30 p.m. on the next business day following the public hearing.

Rebekah E. Gee MD, MPH
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES
RULE TITLE: Medicaid Employee Criminal History Records Checks

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 18-19. However, the proposed rule is anticipated to have a minimal administrative fiscal impact associated with the costs of the criminal history records checks for this specific category of Medicaid eligibility employees. It is anticipated that $540 ($270 SGF and $270 FED) will be expended in FY 18-19 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 not affect Medicaid Program revenue collections other than the federal share of the promulgation costs for FY 18-19; however, this proposed rule will increase revenue collections to the Louisiana Bureau of Criminal Identification and Information by approximately $450 in FY 18-19. It is anticipated that $270 will be collected in FY 18-19 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 OR NONGOVERNMENTAL GROUPS (Summary)

This proposed Rule amends the provisions governing the administrative procedures for the administration of the Medical Assistance Program in order to adopt provisions which require current or prospective employees, contractors or subcontractors, within the Medicaid eligibility section that have access to federal tax information (FTI) and/or criminal history record information, to submit to criminal history records checks. Since the provisions of this proposed rule are administrative in nature, there will be no programmatic fiscal impact to Medicaid services, providers or recipients. It is anticipated that implementation of this proposed rule will have a minimal administrative fiscal impact to the Medicaid Program of approximately $450 in FY 18-19 due to the $50 administrative cost of the criminal history records checks for each of the 9 Medicaid eligibility employees that currently have access to FTI (total cost, $450).

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This rule has no known effect on competition and employment.

Jen Steele	John D. Carpenter
Medicaid Director	Legislative Fiscal Officer
1808#048	Legislative Fiscal Office

NOTICE OF INTENT

Department of Health
Bureau of Health Services Financing

Pharmacy Benefits Management Program
Managed Care Supplemental Rebates
(LAC 50:XXIX.1103)

The Department of Health, Bureau of Health Services Financing proposes to adopt LAC 50:XXIX.1103 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 Department of Health, Bureau of Health Services Financing proposes to amend the provisions governing The Optimal PDL $olution (TOP$) State Supplemental Rebate Agreement Program in order to include pharmacy utilization of managed care organizations (MCOs) that participate in the Healthy Louisiana Program and implement a single state managed preferred drug list to maximize supplemental rebates on MCO utilization.

Title 50
PUBLIC HEALTH—MEDICAL ASSISTANCE
Part XXIX. Pharmacy
Chapter 11. State Supplemental Rebate Agreement Program
§1103. Managed Care Organization Utilization

A. Effective January 1, 2019, the TOP$ State Supplemental Rebate Agreement Program shall include pharmacy utilization of managed care organizations (MCOs) that participate in the Healthy Louisiana Program for state supplemental drug rebates.

1. The Healthy Louisiana Program's contracts with the participating MCOs shall:

a. allow inclusion of the pharmacy utilization data for supplemental rebate purposes; and

b. mandate that each participating MCO shall align their respective formulary(ies) and/or preferred drug list (PDL), as applicable, to the fee-for-service (FFS) preferred drug list. MCO prior authorization criteria shall not be more restrictive than FFS.

B. The Department of Health shall implement a single state-managed PDL for all participating MCOs in order to maximize the supplemental and federal rebates on MCO utilization.

1. The MCOs shall not enter into agreements with manufacturers of drugs listed in the single PDL to acquire discounts or rebates.

C. Supplemental rebates on MCO utilization shall be excluded from best price or average manufacturer price (AMP) calculations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health, Bureau of Health Services Financing, LR 44:

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 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.

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 Jen Steele, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821—9030 or by email to MedicaidPolicy@la.gov. Ms. Steele is responsible for responding to inquiries regarding this proposed Rule.

Public Hearing

A public hearing on this proposed Rule is scheduled for Thursday, September 27, 2018 at 9:30 a.m. in Room 118, Bienville Building, 628 North Fourth Street, Baton Rouge, LA. At that time all interested persons will be afforded an opportunity to submit data, views or arguments either orally or in writing. The deadline for receipt of all written comments is 4:30 p.m. on the next business day following the public hearing.

Rebekah E Gee MD, MPH
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES
RULE TITLE: Pharmacy Benefits Management Program—Managed Care Supplemental Rebates

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

It is anticipated that implementation of this proposed rule will result in estimated state general fund net programmatic costs of approximately $4,755,634 for FY 18-19 and net savings of $2,051,000 for FY 19-20 and $2,051,000 for FY 20-21. The required state general fund match will be offset by the anticipated revenue collections from the Medicaid Assistance Trust Fund premium taxes in the amount of approximately $1,100,000 in FY 18-19, $2,700,000 in FY 19-20, $2,700,000 in FY 20-21. It is anticipated that $432 ($216 SGF and $216 FED) will be expended in FY 18-19 for the state's administrative expense for promulgation of this proposed rule and the final rule. The numbers reflected above are based on a blended Federal Medical Assistance Percentage (FMAP) rate of 64.67 percent in FY 18-19 for the projected non-expansion population, and an FMAP rate of 93.5 percent in FY 18-19, 91.5 percent in FY 19-20 and 90.0 in FY 20-21 percent for the projected expansion population.

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

It is anticipated that the implementation of this proposed rule will increase federal revenue collections by approximately $8,704,798 for FY 18-19 and reduce federal revenue collections by approximately $3,809,000 for FY 19-20 and $3,809,000 for FY 20-21. The proposed rule will also increase revenue collections by approximately $1,100,000 for FY 18-19, $2,700,000 for FY 19-20 and FY 20-21 from the Medicaid Assistance Trust Fund premium taxes. It is anticipated that $216 will be expended in FY 18-19 for the federal administrative expenses for promulgation of this proposed rule and the final rule. The numbers reflected above are based on a blended Federal Medical Assistance Percentage (FMAP) rate of 64.67 percent in FY 18-19 for the projected non-expansion population, and an FMAP rate of 93.5 percent in FY 18-19, 91.5 percent in FY 19-20 and 90.0 in FY 20-21 percent for the projected expansion population.

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

This proposed rule amends the provisions governing The Optimal PDL $olution (TOP$) State Supplemental Rebate Agreement Program in order for the state to invoice for supplemental rebates on pharmacy services covered under the Managed Care Program and paid by managed care organizations (MCOs). This proposed rule will also implement a statewide single preferred drug list (PDL) to maximize the supplemental rebates collected by the state. The single PDL will align preferred drugs across all MCOs and fee-for-service delivery models. The proposed rule will be beneficial to prescribers and recipients because it will simplify the process. The proposed rule will have no net impact to MCOs because although they will lose revenue from the loss of the rebates, they will be reimbursed at a higher capitation rate (PMPM) which will offset the revenue loss from the rebates. It is anticipated that implementation of this proposed rule will result in a net increase in programmatic expenditures in the pharmacy benefits management program by approximately $13,460,000 for FY 18-19 and a net reduction in expenditures by approximately $5,860,000 for FY 19-20 and $5,860,000 for FY 20-21.