DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services Dallas Regional Office 1301 Young Street Dallas, Texas 75202



Division of Medicaid & Children's Health

5 November, 2018

SPA – LA 18-016

(Pharmacy Benefits Management Program - Managed Care Supplemental Rebates)

Ms. Jen Steele Louisiana Department of Health and Hospitals State Medicaid Director 628 North Fourth Street Baton Rouge, Louisiana 70821

Dear Ms. Steele

This is to acknowledge receipt of State's Withdraw E-Mail Message Dated 5 Nov 2018, noting Withdrawal of State Plan Transmittal No.18-016. This action is reflected on the enclosed CMS-179. For your convenience, we are enclosing copies of the material withdrawn. If you have any questions, please call Cheryl Rupley at 214-767-6278

Sincerely,

Marcha Marke Health Incurance

Marsha Marks

Marsha Marks, Health Insurance Specialist Centers for Medicare and Medicaid Services Division of Medicaid and Children's Health

Enclosures:

State's Letter Dated 5 Nov 2018 Copies of Withdrawn Material



State of Louisiana

Louisiana Department of Health Bureau of Health Services Financing

VIA ELECTRONIC MAIL ONLY

November 5, 2018

Bill Brooks Associate Regional Administrator Division of Medicaid & Children's Health DHHS/Centers for Medicare and Medicaid Services 1301 Young Street, Room #833 Dallas, Texas 75202

Dear Mr. Brooks:

RE: Louisiana Title XIX State Plan

> Transmittal No. 18-0016 Pharmacy Benefits Management Program -**Managed Care Supplemental Rebates**

Please refer to the above proposed amendment submitted under transmittal number (TN) 18-0016 with an effective date of January 1, 2019. The SPA proposed 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.

The Department no longer wishes to pursue this State Plan amendment and requests that LA SPA TN 18-0016 be withdrawn from consideration.

Sincerely,

See A. Budgewater

Odn Steele

Medicaid Director

JS/DAB/MJ

State of Louisiana

Louisiana Department of Health Office of the Secretary

VIA ELECTRONIC MAIL ONLY

September 20, 2018

Bill Brooks
Associate Regional Administrator
Division of Medicaid & Children's Health
DHHS/Centers for Medicare and Medicaid Services
1301 Young Street, Room #833
Dallas, Texas 75202

Dear Mr. Brooks:

RE: Louisiana Title XIX State Plan Transmittal No. 18-0016

I have reviewed and approved the enclosed Louisiana Title XIX State Plan material.

I recommend this material for adoption and inclusion in the body of the State Plan.

Warmly,

Rebekah E. Gee MD, MPH

Curdy Revs

Secretary

Attachments (3)

REG: JS: MJ

Withdrawn per State's Letter Dated 5 November, 2018

DEPARTMENT OF HEALTH AND HUMAN SERVICES HEALTH CARE FINANCING ADMINISTRATION FORM APPROVED OMB NO. 6938-0193 1. TRANSMITTAL NUMBER: TRANSMITTAL AND NOTICE OF APPROVAL OF 2. STATE. STATE PLAN MATERIAL 18-0016 Louisiana FOR: HEALTH CARE FINANCING ADMINISTRATION 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICALD) TO: REGIONAL ADMINISTRATOR 4. PROPOSED EFFECTIVE DATE HEALTH CARE FINANCING ADMINISTRATION January 1, 2019 DEPARTMENT OF HEALTH AND HUMAN SERVICES 5. TYPE OF PLAN MATERIAL (Check One): ☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN **MAMENDMENT** COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment) 6. FEDERAL STATUTE/REGULATION CITATION: 7. FEDERAL BUDGET IMPACT: a. FFY 2019 \$ 7,796,750 42 CFR 440.120 b. FFY **2020** (\$3.870.530)8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OF ATTACHMENT (If Applicable): Same (TN- 17-0008) Attachment 3.1-A, Item 12a, Page 4 None (new page) Attachment 3.1-A, Item 12a, Page 5 Withdrawn per State's Letter Dated 5 November, 2018 10. SUBJECT OF AMENDMENT: The purpose of this SPA is to amend the provisions governing the Optimal PDL Solution (TOPS) 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. 11. GOVERNOR'S REVIEW (Check One): GOVERNOR'S OFFICE REPORTED NO COMMENT ☑ OTHER, AS SPECIFIED: COMMENTS OF GOVERNOR'S OFFICE ENCLOSED The Governor does not review State Plan material. NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL 12. SIGNATURE OF STATE AGENCY OFFICIAL: 16. RETURN TO: Jen Steele, Medicaid Director State of Louisiana 13. TYPED NAME: **Department of Health** Rebekah E. Gee MD, MPH

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Rebekah E. Gee MD, MPH

14. TITLE:
Secretary
15. DATE SUBMITTED:
September 20, 2018

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

21. TYPED NAME:

The Governor does not review State Plan material.

The Governor does not review State Plan material.

16. RETURN TO:
Jen Steele, Medicaid Director
State of Louisiana
Department of Health
628 North 4th Street
P.O. Box 91030
Baton Rouge, LA 70821-9030

PLAN APPROVED - ONE COPY ATTACHED

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE:

23. REMARKS:

Withdrawn per State's Letter Date 5 November, 2018

LA TITLE XIX SPA

TRANSMITTAL #: 18-0016 TITLE:

Pharmacy Benefits Management Program - Managed Care Supplemental Rebates EFFECTIVE DATE: January 1, 2019

FISCAL IMPACT: Increase and Decrease

	year '	% inc.				fed. match	*# mos	ra	nge of mos.		dollars	
t SFY	2019					%	6 Janua	ary 2019 - June 2019			\$13,460,000	
d SFY	2020	2020		0.00% 12 July 2019- June 2020				-\$5,860,000				
d SFY	2021						0.00% 12 July 2	2020 - June 2021			-\$5,860,000	
		*#mos-Mo	onths remaini	ng in fiscal year								
Total Inc	rease or De	crease C	ost FFY 2	<u>2019</u>								
SFY	2019	\$	13,460,000	for	6	months	January 2019 - June	2019			\$13,460,000	
SFY	2020		\$5,860,000)	for	12	months	July 2019- June 202					
		(\$5,860,000) /		12 X	3	July 2018 - Septemb	per 2018		=	(\$1,465,000) \$11,995,000	
			F	FFP (FFY	20	19)=	\$11,995,000	х	65.00%	=	=	\$
Total Inc	crease or De	croseo (ost FFV 3	2020								
SFY	2020		\$5,860,000)	for	12	months	July 2019- June 202	0				
Ol 1	2020	•	\$5,860,000) /		12 X		October 2018 - June			=	(\$4,395,000)	
SFY	2021	`	\$5,860,000)	for	12	months	July 2020 - June 202					
		(\$5,860,000) /		12 X	3	July 2019 - Septem	ber 2019		=	(\$1,465,000) (\$5,860,000)	
				FFP (FFY	20.	20)=	(\$5,860,000)	X	66.05%	=		(\$

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:

- 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; an
- 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. A rebate agreement between the state and a drug manufacturer for drugs provided to the Medicaid program, submitted to CMS on April 8, 2002 and entitled "Supplemental Rebate Agreement", was previously authorized by CMS on April 25, 2002.
- 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.

E. Managed Care Organization Utilization

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.

Withdrawn per State's Letter Dated 5 November, 2018

	/	
TN	Approval Date	Effective Date
Supersedes		
TN /		

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:

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

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

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

Withdrawn per State's Letter Dated 5 November, 2018

TN	Approval Date	Effective Date
Supersed	s	
TN/		