

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

Disabled and Elderly Health Programs Group

June 3, 2019

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

Dear Ms. Steele:

We have reviewed Louisiana's State Plan Amendment (SPA) 19-0017 received in the Dallas Regional Operations Group on April 25, 2019. This amendment proposes to update the state's The Optimal PDL Solution (TOP\$) supplemental rebate agreement to include Medicaid Managed Care Utilization (MCO) utilization for accrual of supplemental rebates.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 19-0017 is approved with an effective date of May 1, 2019. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into Louisiana's state plan will be forwarded by the Dallas Regional Operations Group.

If you have any questions regarding this amendment, please contact Terry Simananda at (410) 786-8144 or terry.simananda@cms.hhs.gov.

Sincerely,

/s/

John M. Coster, Ph.D., R.Ph.
Director
Division of Pharmacy

CC: Bill Brooks, Director, Dallas Regional Operations Group
Tobias Griffin, Dallas Regional Operations Group
Rebekah E. Gee MD, MPH, Secretary, State of Louisiana

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER

19-0017

2. STATE

Louisiana

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

May 1, 2019

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447 Subpart I

7. FEDERAL BUDGET IMPACT

a. FFY 2019 **\$ 0**

b. FFY 2020 **\$(14,743,799)**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 3.1-A, Item 12a, Page 4

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

SAME (TN 17-0008) Also pending TN 19-0006

10. SUBJECT OF AMENDMENT: The purpose of this SPA is to amend the provisions governing the Pharmacy Benefits Management Program in order to apply the TOPS supplemental rebate agreement 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 TOPS Supplemental Rebate Agreement.

11. 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

s OTHER, AS SPECIFIED

The Governor does not review State Plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL

Cindy Rives

13. TYPED NAME

Cindy Rives, designee for Rebekah E. Gee MD, MPH

14. TITLE

Secretary

15. DATE SUBMITTED

April 25, 2019

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

April 25, 2019

18. DATE APPROVED

June 3, 2019

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

May 1, 2019

20. SIGNATURE OF REGIONAL OFFICIAL

Bill Brooks

21. TYPED NAME

Bill Brooks

22. TITLE

**Director
Regional Operations Group**

23. REMARKS

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; 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. 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. 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.

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.

State: Louisiana
Date Received: 4-25-2019
Date Approved: 6-03-2019
Date Effective: 5-01-2019
Transmittal Number: 19-0017