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State/Territory Name: Louisiana

State Plan Amendment (SPA) #: 19-017 Pharmacy SPA

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved 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**

**Disabled and Elderly Health Programs Group**

June 3, 2019

Jen Steele, Medicaid Director  
State of Louisiana  
Department of Health  
628 North 4<sup>th</sup> 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](mailto: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)

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

4. PROPOSED EFFECTIVE DATE  
**May 1, 2019**

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      s 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  
Department of Health  
628 North 4<sup>th</sup> Street  
P.O. Box 91030  
Baton Rouge, LA 70821-9030**

13. TYPED NAME

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

14. TITLE

**Secretary**

15. DATE SUBMITTED

**April 25, 2019**

**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

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