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**CHAPTER 37: PHARMACY BENEFITS MANAGEMENT SERVICES**

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**GENERAL PROGRAM INFORMATION**

The Pharmacy Program within the Louisiana Department of Health (LDH), Bureau of Health Services Financing (BHSF) covers all Food and Drug Administration (FDA) approved legend drugs that meet the Omnibus Budget Reconciliation Act (OBRA) '90 and OBRA '93 criteria with a few exceptions. The Pharmacy Program determines the reimbursement methodology for both the drug ingredient cost and the maximum allowable overhead cost (dispensing fee) for covered drugs.

The Pharmacy Program is responsible for the following components:

- Policy;
- Program development and implementation;
- Network development;
- Program coverage;
- Preferred drug list development and implementation and prior authorization for certain therapeutic classes;
- Federal upper limit (FUL) for multiple source drugs;
- Claims management;
- Annual provider recertification;
- Clinical interventions;
- Prospective and retrospective drug utilization review (DUR);
- Federal and state supplemental pharmaceutical manufacturer rebates;
- Pharmacy provider desk audits;

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- Recipient Lock-In program;
- Provider help desk;
- Recipient help desk;
- Provider relations; and
- Provider education for prescribers and pharmacists.

The Pharmacy Program:

- Initiates policy development;
- Implements new policies and clarifies existing pharmacy policies, which include the services associated with outpatient drugs and Medicare/Medicaid pharmacy claims crossovers;
- Approves all new drugs added to program coverage; and
- Establishes any limitations on reimbursement or coverage in accordance with the federally approved reimbursement methodology.

The Pharmacy Program directs an extensive network of pharmacy providers and is also responsible for the integrity of several subsystems, including the drug file component of reference subsystem, the DUR subsystem and the drug portion of the Surveillance Utilization Review Subsystem (SURS).

### **Medicaid Management Information System**

The Medicaid Management Information System (MMIS) is a computerized claims processing and information system designed to manage the Medicaid Program's expenditures through effective claims processing and utilization control.

LDH contracts with a fiscal intermediary who operates the federally approved MMIS which is consistent with the Centers for Medicare and Medicaid Services (CMS) and LDH requirements. The fiscal intermediary (FI) is contracted to provide the following pharmacy-related services:

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- Pharmacy claim processing through an on-line, real-time point of sale (POS) system;
- Coordination of the federally mandated Omnibus Budget Reconciliation Act of 1990 Drug Utilization Review (DUR) Board activities;
- Retrospective Drug Utilization Review (LaDUR);
- Prospective Drug Utilization Review (UniDUR);
- Educational articles - *Provider Update* newsletter article;
- Lock-In Program;
- DUR Board coordination;
- Preferred Drug List and prior authorization system;
- Monthly prescription limit system; and
- Electronic Data Inquiry/Clinical Drug Inquiry System (e-CDI).