



State of Louisiana
Department of Health and Hospitals
BAYOU HEALTH

February 26, 2013

Ms. Rebecca Engelman
Executive Director
LaCare (Amerihealth Mercy)
P. O. Box 83580
Baton Rouge, LA 70884

RE: Notification of Sanction

Dear Ms. Engelman:

At the request of DHH or its Fiscal Intermediary, LaCare, as a contracted Bayou Health Prepaid Plan, shall submit Pharmacy RX Encounter Data Files in an electronic format that is suited to allow for integrating with the State's Pharmacy Rebate Program. DHH shall establish the frequency of these information requests, and LaCare shall comply.

Failure to submit the requested Pharmacy RX Encounter Data Files as specified may result in the assessment of liquidated damages as stated in the Monetary Penalties, and Sanctions according to **Section 20.2.3** of the RFP.

November and December 2012 Pharmacy RX Encounter Data Test Files were due by 5:00 p.m. CST on February 14, 2013. LaCare has failed to meet this deadline. Therefore, LaCare is, hereby, given the following notice of assessment:

Ten thousand (\$10,000.00) per calendar day for each day after February 14, 2013 that the files are late; or incomplete, deficient and/or inaccurate until the information has been submitted and accepted by DHH as complete, accurate and has no deficiencies.

In accordance with **Section 17.6.2.2.3**, LaCare may also be subject to the following:

In addition to the administrative sanctions in Section 20 of this contract, failure of the Health Plan to submit monthly pharmacy encounter claims files and/or a response file to the disputed encounters file within 60 calendar days as detailed above for each disputed encounter will result in a quarterly offset to the capitation payment equal to the value of the rebate assessed on the disputed encounters being deducted from the Health Plan's capitation payment.

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Please contact Jen Steele at 337-233-9627 or Jen.Steele@la.gov , should you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Madeline W. McAndrew". The signature is written in a cursive style with a large initial 'M'.

Bayou Health Director

C: Ruth Kennedy
Mary TC Johnson
Jen Steele
Darlene White
Michelle Renee
Dianne Griffin
Anthony Cobb