



**DEPARTMENT OF
HEALTH
AND HOSPITALS**

Strengthening Louisiana's Medicaid Pharmacy Program

Strategies for Improvement

Bruce D. Greenstein, Secretary



Today's Discussion



- Addressing the Issues
- Our Vision for Modernization
- Bayou Health Pre-paid Plans
- Bayou Health Shared Savings Plans and Fee-for-Service Medicaid
- Next Steps



Addressing the Issues

- The current posture of the FY 2013 budget
- Medicaid pharmacy reimbursement – shift from AWP to AAC
 - Impact of House cuts
 - Dispensing fee
 - Cost survey
- Bayou Health Integration



Our Vision For Modernization

- Improve health outcomes through next step of full integration of care in pre-paid Bayou Health plans
- Strengthen Louisiana's existing state-run PBM and pharmacy program management
- Lower costs and growth trends through overall better management of pharmacy benefit
- Understand impact of mail-order pharmacy
- Continuously engage stakeholders through development of plan



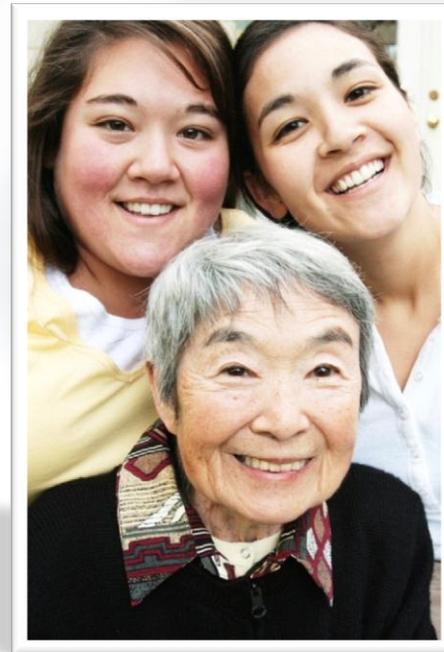
Bayou Health Pre-paid Plans

- **Three pre-paid plans will manage the delivery of pharmacy services in the patients' care plans.**
 - Achieves savings through appropriate care, network and formulary management
 - Respects role of significant traditional providers
 - Ensures strong patient protections



Bayou Health Protections

- **Existing Bayou Health protections that would carry forward to a pharmacy benefit:**
 - Adequate Network requirements
 - Requirements to make good faith effort to contract with significant traditional providers
 - Appeals and grievances
 - Prompt pay
 - Medical loss ratio
 - Outcomes & performance reporting
 - Financial transparency



Shared Savings Plans & FFS Medicaid



- **More than half of Medicaid enrollees will remain in a FFS pharmacy environment with traditional DHH management.**
- DHH will work simultaneously to improve management of this program.
 - Strengthen PDL process
 - Improve transparency
 - Develop more meaningful Prior Authorization process
 - Better define and structure role of support partners and contractors
 - Coordinate closely with shared savings plans to better manage pharmacy benefit



Next Steps

Next month:

- Concept Paper for public comment
- Regional forums with stakeholders





Questions and Answers



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Email BayouHealth@LA.gov with
future questions and comments

