

NOTICE OF INTENT

Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing

Pharmacy Program—Reimbursement

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing proposes to adopt the following rule in the Medicaid Program as authorized by R.S. 46:153 and pursuant to the Social Security Act. This proposed rule is in accordance with the Administrative Procedure Act, R.S. 49:950 et seq.

The Bureau of Health Services Financing provides reimbursement to enrolled pharmacy providers for services provided to Medicaid recipients who also have Medicare Part B coverage. The Medicaid Program has identified drugs for which Medicare Part B is currently providing coverage and reimbursement. The bureau has determined that a cost savings will be achieved by providing coverage under the Medicaid Program for the co-insurance and deductible of the Medicare Part B claims and requiring the pharmacy provider to bill Medicare prior to the Medicaid Program. Medicare claims for covered outpatient drug services would then crossover to the Medicaid Program for reimbursement of the co-insurance up to the Medicare allowable and the deductible, if it has not been met. The bureau has determined that there is Medicaid cost-savings attributed by electing to pay co-insurance and the Medicare deductible for these pharmacy services. Medicare will be the primary payor for these services by cost avoiding these claims and the bureau will be in compliance with Medicaid and Medicare regulations.

Proposed Rule

The Department of Health and Hospitals, Bureau of Health Services Financing proposes to pay the full co-insurance and the Medicare deductible on pharmacy claims for services provided to Medicaid recipients covered by Medicare Part B.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, Box 91030, Baton Rouge, LA 70821-9030. He is responsible for responding to inquiries regarding this proposed rule. A public hearing will be held on this matter on Tuesday, April 23, 1996 at 9:30 a.m. in the Auditorium of the Department of Transportation and Development, 1201 Capitol Access Road, Baton Rouge, LA. At that time all interested parties will be afforded an opportunity to submit data, views or arguments, orally or in writing. The deadline for the receipt of all comments is 4:30 p.m. on the day following the public hearing.

Bobby P. Jindal
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Pharmacy Program—Reimbursement

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is anticipated that implementation of this proposed rule will result in decreased expenditures for pharmacy services by approximately \$223,193 for SFY 1996; \$433,071 for SFY 1997; and \$446,063 for SFY 1998.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

Implementation of this proposed rule will decrease federal revenue collections for pharmacy services by approximately \$559,665 for SFY 1996; \$814,458 for SFY 1997; and \$838,892 for SFY 1998.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Individual pharmacists might experience an initial lag in reimbursement for hard copy claims as they transfer billing from Medicaid to Medicare as the primary payor for these type of claims.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no known effect on competition and employment.

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