



State of Louisiana

Louisiana Department of Health
Bureau of Health Services Financing

MEMORANDUM

DATE: January 30, 2020
TO: Louisiana Medicaid Providers
FROM: Michael Boutte, Medicaid Deputy Director *MLB*
SUBJECT: Louisiana Medicaid Pharmacy Billing for Brand Name Drugs

The Louisiana Medicaid Fee for Service (FFS) Pharmacy Program requires prescribers to use generic products on multi-source drugs unless:

- A prescriber indicates the brand name product is medically necessary for a particular recipient, and certifies that in his/her professional judgment the generic equivalent is not indicated.
- The certification may be written either directly on the prescription or on a separate sheet, which is attached to the prescription. Effective February 1, 2020 the notification **may be submitted electronically** by the prescriber.
- The standard phrases written by the prescriber on the prescription shall testify to the medical necessity of the brand name drug. The only acceptable phrases are "Brand Necessary" or "Brand Medically Necessary."
- The pharmacist shall enter a value of "1" which is substitution not allowed, Dispense as Written (DAW) in **NCPDP field 408-D8** to indicate Brand Medically Necessary.

The purpose of this notice is to recap current policy to assist pharmacy providers in billing. For more information, please refer to

<https://www.lamedicaid.com/provweb1/Providermanuals/manuals/PHARMACY/HARMACY.pdf>

MB/MBW/GJS

c: Healthy Louisiana Plans
DXC Technology