



**State of Louisiana**  
Louisiana Department of Health  
Office of Management and Finance

September 26, 2018

The Honorable Eric LaFleur  
Louisiana State Senator  
Chairman, Joint Legislative Committee on the Budget  
P.O. Box 44294  
Baton Rouge, LA 70804

Re: LDH Request for October JLCB Agenda Item Pursuant to R.S.39:1615(J)

Dear Senator LaFleur:

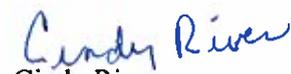
The Louisiana Department of Health (LDH) requests that the following contract be placed on the agenda for the Joint Legislative Committee on the Budget (JLCB) October hearing for consideration pursuant to R.S.39:1615(J). LDH has a current contract with this entity and wishes to exercise the extension option in the contract for short period until the Request for Proposals (RFP) for a new contract is released and a new contract executed. The RFP is currently with the Office of State Procurement for approval, and we anticipate a November 2018 release and implementation of the new contract by Spring of 2019. As per R.S.39:1615(J), approval of the extension by JLCB is required before proceeding. The contract is as follows:

**MAGELLAN MEDICAID ADMINISTRATION, INC.**

This is a three year, statewide contract with Medicaid that provides support for the Medicaid Pharmacy Program's State Supplemental Rebate/Preferred Drug List (PDL). The contractor (Magellan) maintains the PDL for the Medicaid program; negotiates supplemental rebate agreements with pharmaceutical manufacturers through a multi-state pooling initiative; and assists in billing pharmaceutical manufacturers for supplemental rebates pursuant to agreements entered into between such manufacturers and the Department. The current contract, which was executed on January 1, 2016, expires on December 30, 2018. LDH is satisfied with the performance of Magellan and would like to exercise the extension option in the contract, pending the outcome of a near term, competitive procurement for these functions going forward. LDH is requesting approval of JLCB to extend the contract until December 31, 2019, to avoid disruption to supplemental rebate revenues, which are an important source of funding for the Medicaid program.

Thank you for considering our request to have this contract extension included on the October JLCB agenda. I am enclosing a copy of the contract for your convenience. If you have any questions, please feel free to contact Tonya Joiner at (225) 342-5274 or [Tonya.Joiner@la.gov](mailto:Tonya.Joiner@la.gov).

Sincerely,

  
Cindy Rives  
Undersecretary

Enclosures

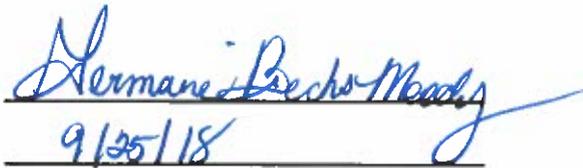




4. Have there been any changes to these contracts, amendments, and RFPs since they were last reviewed by LDH Legal? Y/N (Bold or Circle answer)

If you answered yes to the above, please state all the changes that occurred to the contracts, amendments, and RFPs.

I certify that I have reviewed the contracts, corresponding amendments, and applicable RFPs and based on my knowledge and belief, I attest that the information provided in this form is complete and accurate.

Signature:   
Date: 9/25/18



