

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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Baltimore, Maryland 21244-1850



## **CENTER FOR MEDICARE**

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**TO:** All Part D Sponsors

**FROM:** Cynthia G. Tudor, Ph.D., Director, Medicare Drug Benefit and C & D Data Group

**SUBJECT:** Notice to Part D Sponsors Operating in Louisiana

**DATE:** August 13, 2010

CMS has recently been notified that some pharmacies in Louisiana appear to have erroneously applied sales tax to Part D claims. Louisiana state law specifically exempts Part D claims from sales tax (including any local government subdivision, school board, or other political subdivision). The Louisiana law can be found at the following link:  
[www.legis.state.la.us/lss/lss.asp?doc=208447](http://www.legis.state.la.us/lss/lss.asp?doc=208447).

If not already doing so, Part D sponsors should reject Part D claims originating from Louisiana pharmacies that include any sales tax. CMS is investigating this issue and will be providing additional guidance on recoupment efforts that sponsors should undertake in an upcoming memo.

If you have any questions concerning this memorandum, please contact your Account Manager.