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Pharmaceutical Preferred Drug Lists (PDLs) - State Medicaid and Beyond

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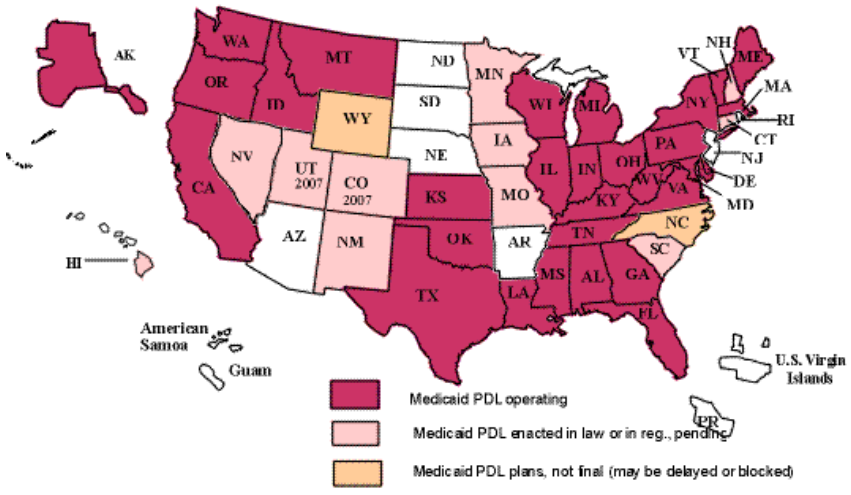
As of early 2007, more than three-quarters of the states had enacted, authorized or created some types of preferred drug lists, sometimes termed "PDLs", in part as a cost containment strategy. A preferred drug list is defined as a formal published list of specific prescription drug products by brand and generic name, usually divided into two separate categories: "preferred" and "non-preferred." In many, but not all, cases, the non-preferred products may be available for payment or reimbursement only after obtaining "prior or advance authorization" for the particular patient and product.

In Medicaid, the use of a preferred drug list does not in itself prohibit use or coverage of the non-preferred pharmaceuticals. Most PDLs created in the past two years include a "cost effectiveness" factor, as well as medical efficacy or necessity. Not all states use the term "PDL," and the extent of coverage, the process for inclusion and approval, and the enforcement mechanisms vary substantially in some cases. For example, AK, CO and OK have substantial restrictions on the definitions and uses of a PDL. See examples of published PDLs by using the web links included in the table for Alaska, Florida, Georgia, Illinois, Maine, Maryland, Massachusetts and Vermont.

As listed in the table, at least 40 states have some PDL policies that apply to Medicaid. At least 13 states also seek to use PDLs for other programs. One state (South Dakota) intends to use a PDL for a non-Medicaid program only.

At least 45 state Medicaid programs have some type of pharmaceutical prior authorization requirements or restrictions, which are not detailed separately in this report or table.

Medicaid State Preferred Drug Lists



Data compiled by NCSL; updated Nov. 2006. Operational status may vary, and is for general information only

Table 1: State Preferred Drug Lists Including Medicaid

STATE	PDL law / program	Agencies covered/Notes
AL (2003) Agency regulation	Alabama Medicaid has established a comprehensive preferred drug list (PDL), "from approximately 90 pharmacological classes and subclasses of drugs." "The program is largely voluntary, physicians have wide latitude in prescribing. Use of a preferred drug is encouraged whenever appropriate, however." The list includes 14 classes of products subject to some prior authorization. *(Agency regulation, 2/03*	Medicaid Alabama PDL online - 102 pages || Prior authorization manuals ||
AK S 109 (2003)	States it is the intent of the legislature that the state continue to provide coverage for all Medicaid approved medications. If the department develops a preferred drug list to improve the Medicaid program's efficiency, it is the legislature's intent that the department should work with providers to develop the preferred drug list and that the department should establish an authorization system that is minimally intrusive to the providers while protecting access to medically necessary medications. *(Signed by governor 6/16/03 as Chapter 106)*	Medicaid (with restrictions); Senior Rx state subsidy plan Alaska Preferred Drug Program *online description 2/07*
CA AB 442 (2002)	Establishes a list of preferred and prior authorization drugs, and revises the structure of rebates and supplemental rebates. NOTE: California also had a unique Medicaid supplemental rebate agreement in place prior to OBRA 1990, with features similar to a PDL.	Medicaid/Medi-Cal Medi-Cal online List of Contract Drugs ('07)
CO EO 07-04 (2007) (2004) Agency regulations	Establishes a "preferred drug list for non-Medicare clients receiving drugs through the fee-for-service and primary care physician programs in the Colorado Medical Assistance Program." Requires the Department to "evaluate the various methods by which a PDL is implemented and maintained and shall determine the best option for Colorado's PDL; also requires obtaining supplemental rebates and cost-effectiveness of entering into an existing multi-state purchasing pool. *(Based on SB06-01 passed/vetoed in 2006; Executive Order signed 1/31/07)* In 2003-04 the CO Medicaid Department established phased-in expanded use of prior authorization, with characteristics similar to a preferred drug list. Phase I (implemented 12/15/03) affected sleeping agents, acute pain, migrane and anti-emetics for chemotherapy. Phase II (implemented 3/4/04) defined prior authorization exemptions for once-daily atypical antipsychotics, while requiring authorization for multiple-daily dosing, Cox-2 Inhibitors and Proton pump inhibitors. Phase III (to be implemented	*Medicaid - authorizing legislation passed legislature in 2006; In 2007 Gov. Ritter signed Executive Order to establish Medicaid PDL.*

	early 2005) "will continue the approach of restricting the use of certain identified prescription drugs to FDA approved indications." *(CO Report online, 2004)*	
CT H 6002 & H 6004 (2002)	Establishes a preferred drug list for Medicaid. Factors used in developing the preferred drug list "shall include clinical efficacy, safety and cost effectiveness of a product."	Medicaid
DE Agency regs. (2005)	As of March 2005, the Medicaid agency had promulgated the details of a preferred drug list, to take effect April 1, 2005. Drugs not on the list would not be covered or would be subject to state approval before prescriptions could be filled. The initial list covers 10 categories of drugs, with "several categories to be added every few months." (Agency regulations, 4/1/05; 10/06)	Medicaid
FL SB 792 (2001)	Requires that the Medicaid program develop a "preferred drug formulary" or list for all categories of drugs. The resulting list was the first in the nation to cover broad categories of popularly prescribed products. A 2002 court ruling upheld the program.	Medicaid. FL Preferred Drug List online
FL HB 1843 (2004)	Eliminates provisions in the preferred drug formulary authorization that gave the Agency for Health Care Administration discretion over the use of other program benefits to offset Medicaid expenditures such as disease management programs, drug product donation programs, drug utilization control programs, prescriber and beneficiary counseling and education, fraud and abuse initiatives. Also prohibits the use of "value-added programs" as a substitution for supplemental rebates.	Medicaid
GA department regulation (2001) HB 122 (2003)	The Department of Community Health has established a preferred drug list, along with $1-$3 tiered cost sharing. All generics are classified as preferred drugs. The policy is not tied to supplemental rebates.	Medicaid; as of Jan. 2002, public and state university employees. Georgia PDL, 10/1/05 - by drug therapeutic
HI SB 3237 (2004)	Requires rebates from participating pharmaceutical manufacturers. Establishes committee to recommend drugs for preferred and non-preferred drug lists.	Medicaid and Hawaii Rx Plus discount program
HI HB 1051 (2005) Rep. Arakaki	Prohibits DHS from restricting Medicaid recipient's access to psychotropic medication and establishes presumptive eligibility in emergency. Exempts prescriptions for psychotropic, HIV/AIDS, Hepatitis C medications and transplant immunosuppresives from prior authorization requirement. (*became law without the Governor's signature as Act 241, 7/12/05)*	Medicaid
ID HCR 50 (2005) Agency Reg.	Department of Health and Welfare has established a PDL. The state has joined the "TOP$" multi-state purchasing pool managed by Provider Synergies. (10/06)	Medicaid ID Preferred Drug List (3/7/07)
IL Regulation.	Department of Public Aid has established a Preferred Drug List, tied to prior authorization.	Medicaid; virtually identical list for state-only programs.

4/1/2002		IL Preferred Drug List
IN S 228 (2002)	Establishes a therapeutics committee with the authority for "research, development, and approval of a preferred drug list, with provisions for prior approval.	Medicaid and SCHIP
IA HF 619 (2003)	Requires the creation and implementation of a Medicaid PDL; provides that "drugs not included on the preferred drug list shall be subject to prior authorization," with exceptions for mental health, HIV and cancer.	Medicaid IN Therapeutics Comm
KS S 422 (2002)	Authorizes the Department of Social and Rehabilitation Services to maintain a preferred drug formulary or list. Those drugs not on the PDL will be subject to prior authorization, with drugs used to treat mental illness exempt from prior authorization.	Medicaid
KY HB 103 **(**2002)	Created a Pharmaceuticals and Therapeutics Advisory Committee "on the development and administration of an outpatient drug formulary" for Medicaid Services. In 2003 the Committee is reviewing drugs for the PDL, including potential use of prior authorization.	Medicaid
LA Act 395 of (2000)	Authorized establishment of a PDL.	Medicaid
LA SB 446 (2004)	Requires that all drugs must be reviewed by the P & T committee prior to inclusion on the preferred list. Provides that any clinical decisions of the P & T committee should be transparent and that any decisions contrary to clinical evidence shall be justified in writing.	Medicaid
ME (2000)	Established a PDL for 150 most commonly prescribed products; includes use of prior authorization.	Medicaid, (also see below) Maine Preferred Drug List link, revised 10/03
ME SP 560 (2003)	The state-only Maine Rx Plus discount program is authorized to use the same PDL as the Medicaid program.	State-only discount program
ME HP 343 / LD 468 (2005) (Budget bill)	FY06 budget (in §165) authorizes use of a preferred drug list, based on Medicaid PDL, but not subject to prior authorization. Sets a maximum price for generic drugs. Also establishes the joint purchasing effort of the Pharmaceutical Cost Management Council, to "develop options to maximize cost effectiveness" for all publicly sponsored purchases. (Signed 3/31/05)	Medicaid, other state-only programs
MD (2003) Agency regulation §10.09.03	Regulations "allow the Department to implement a preferred drug list (PDL) and other cost containment measures. The newly established Pharmacy and Therapeutics Committee would develop a list of preferred drugs. Drugs not on the list will be subject to preauthorization.	Medicaid, Pharmacy Assistance Program, Pharmacy Discount Program and carved-out mental health drugs for managed care. MD Preferred Drug List '06 compiled by Provider Synergies
MA Regulations (2001, 2002)	Prescribers must obtain prior authorization before using non-generics, if a generic is available. The agency maintains a product-specific prior authorization drug list as of July 2002.	Medicaid MassHealth Drug List online

MI Public Act 60, sec. 1620-1622 (2001)	The state Department of Community Health has created a formulary that includes a "reference pricing" feature, including a list of "best in class pharmaceuticals" in 40 categories. Excluded Rx products will require prior authorization.	Medicaid + other state-funded programs Michigan preferred drug list
MI SB 832 (2004)	[PDL restriction] Prohibits the MI Department of Community Health from requiring prior authorization for certain prescription drugs through the Pharmaceutical Best Practice Initiative, include medications prescribed to patients with mental disorders, HIV/AIDS, cancer, organ replacement, and epilepsy or seizure disorders. Maintains the exemptions from prior authorization that are in current policy.	Medicaid; state pharmaceutical assistance programs
MN H 351 (2002)	FY '02-'03 budget adjustment law provides authority to establish a supplemental rebate program for pharmaceuticals, including use of a preferred drug list. To be in place 1/1/03.	DHS -Medicaid + state
MS S. 2189 §9 (2002) H 897 (2003)	Section 9 directs the Medicaid agency to adopt a "closed drug formulary as soon as practicable" and to opt out of the drug rebate program. Also includes implementation language a prior authorization process. A 2003 law repeals the "closed formulary" provision	Medicaid; State & School employees (with restrictions, added 2003)
MS HB 1434 (2004)	A Medicaid omnibus bill which directs the Division to establish a mandatory preferred drug list for Medicaid reimbursement. Provides that drugs not on the mandatory preferred drug list shall be made available by utilizing prior authorization procedures.	Medicaid
MO HB 1111 (2002)	As part of FY03 appropriations bill, §11.425 authorizes the Medicaid agency to set up, prior to January 2003, a preferred drug product list incorporating best medical practices.	Medicaid only
MT **(2006)**	MT Medicaid has established a PDL	MT Medicaid PDL -link (2/07)
NV AB 384 (2003)	Establishes a preferred drug list (PDL), expands prior authorization and creates a pharmacy therapeutics committee for Medicaid. Mental illness and HIV drugs are exempted from restrictions.	Medicaid
NH (2002)	Authorized the creation of a PDL. The state has a contract with First Health Services to implement the program. The PDL was launched and fully implemented as of September 1, 2004	Medicaid NH PDL Frequently Asked Questions 7/04 | NH PDL Online 9/1/04
NM SB 253 (2002)	Requires the Medicaid program to "implement a formulary or preferred drug list that will consider the clinical efficacy, safety and cost effectiveness of a product." Requires prior authorization before a drug not on the formulary can be dispensed.	Medicaid
NY S 3668 (2005)	Authorizes the creation of a preferred drug list within Medicaid. Provides that any doctor or prescriber may specify and prescribe a non-preferred drug if they notify the state Department by telephone; such requests cannot be denied. Prescribers "... shall consult with the program to confirm that in his or her reasonable professional judgment, the patient's clinical condition is	Medicaid (w/ restriction) *News story: Doctors Wary of Medicaid Drug List, 3/15/04*

A.2106-B Budget _____ Health Dept. regulations (2003)	consistent wit the criteria for approval of the non-preferred drug." Exempts mental health and HIV related drugs from prior authorization or preferred drug restrictions. Authorizes negotiation for manufacturer supplemental rebates. (§272) *(Signed as Chapter 58, 4/12/05)* History: (§3-a, p. 432) Stated that prior authorization "shall not be expanded or applied to cover any prescription drug that is not already subject to such prior authorization at the time this act becomes law" except according to terms and conditions enacted by the legislature. *(Passed by Assembly and Senate, 5/2/03; became law by veto override, 5/15/03)* *Note: In May 2003, and again in Feb, 2004 Governor Pataki had moved to establish a preferred drug list tied to prior authorization, asserting that the Health Department has the authority under existing law to do so without further legislation.*	
NC Agency Regulation (2002)	In June 2002. Governor Easley announced that NC Medicaid was establishing a preferred drug list, including an option for supplemental rebates, and use of prior authorization for products not on the list. The first list was scheduled to be phased in beginning December 2002, but was put on hold indefinitely in 2003. NC does use prior authorization for specific products, not termed a PDL.	Medicaid (with restrictions) Prior Authorization examples 2/07
OH SB 261 (2002)	As part of the state's budget bill, (§5111.082) states that the Medicaid agency may "establish and implement a supplemental drug rebate program" and make drugs of manufacturers not making such payments subject to prior authorization. Exempts mental health and HIV drugs. Does not use the term "preferred drug list."	Medicaid
OK (2003)	Oklahoma Medicaid has an operating PDL that covers six classes of pharmaceuticals and includes prior authorization and supplemental rebates.	Medicaid
OR S 819 (2001) HB 3624 (2003)	Directs the Department of Human Services (DHS) to adopt a Practitioner-managed Prescription Drug Plan for the Oregon Health Plan to ensure that enrollees "receive the most effective prescription drug available at the best possible price." The program does not require prior authorization. The 2003 law restructuring the Oregon Health Plan includes a prohibition on using prior authorization for enforcement of the preferred drug list.	Medicaid, Oregon Health Plan (restrictions added in 2003) OR Practitioner-Managed Prescription Drug Plan
OR SB 623 (2005) Sen. Morrissette	Repeals provision that had required legislative approval of rules adopted by Oregon Department of Administrative Services for use of preferred drug list. *(signed by governor 6/28/05)*	Medicaid, state Oregon Rx program

PA (2006)	PA Medicaid's Drug List (PDL) and Pharmacy and Therapeutics (P&T) Committee - announced the selection of Provider Synergies to provide Preferred Drug List (PDL) Program and multi-state pharmacy purchasing services. (10/06)	Medicaid PA PDL online (12/06)
SC Governor Exec. Order.	South Carolina submitted a preferred drug list plan for federal approval; in February '03 the Governor announced the state would join with Michigan, Vermont and Wisconsin in a new multi-state buying pool, using similar preferred drug lists and prior authorization. This waiver was delayed and withdrawn as of spring 2004. The Medicaid PDL was operational as of May 19, 2004.	Medicaid SC PDL, May 2004
TN HB 1650; SB 1371 (2003) Rep. McMillan	Creates a TennCare/Medicaid "Formulary Committee" to develop details for a preferred drug list (PDL) to govern all state purchases of prescription medicine; also requires contract with a PBM for all state Rx purchases; authorize a Medicaid PDL, a supplemental rebate program (with the state to receive 100 percent of all rebates and any other financial incentives), The fiscal note estimates the law could reduce overall state expenditures by "more than $50 million." Also creates aTenncare Rx Program for uninsured, which will be based on the state PDL.	Medicaid; Rx programs for uninsured.
TX HB 2292 Rep. Nelson	Establishes a preferred drug list and supplemental rebates for Medicaid, CHIP, and any other state program; the PDL "may contain only drugs provided by a manufacturer or labeler that reaches an agreement with the commission on supplemental rebates." With exceptions. (§2.13) (*Signed by governor 6/10/03)*	Medicaid, State CHIP, other state programs
UT (2001)	Established a prior authorization list for selected products (e.g. proton pump inhibitors). Does not use the term PDL.	Medicaid; separate for state employees
UT SB 42 (2007) Sen. Christensen	Allows use of a Preferred Prescription Drug List in Medicaid, which "may include placing some drugs on a preferred drug list to the extent determined appropriate by the department" and repeals 2003 language restricting PDLs. Final version provides a blanket exemption for psychotropic or anti-psychotic drugs and allows prescribers to override restrictions to in cases of "medical necessity" when documented in the patient's medical file and by handwriting on the prescription. *(Filed 12/26/06; passed Senate 28y-10n, 1/26/07; passed House 70y-1n, 2/6/07; signed into law by governor 3/20/07)*	Medicaid
VT H.31 (2002) H.485, § 123 (2001)	Directs Medicaid to establish a "pharmacy best practices and control program", with cost containment tools to include development of a preferred drug list (PDL) and utilization review initiatives to implement the PDL; it specifies that prescribing doctors will make the final decision on use of a higher priced drug. Encourages broader use of a statewide PDL by other health	Medicaid, plus "all state pharmaceutical assistance programs"; may be used for "any public or private plan within or outside the state" and for individual Vermonters Vermont Preferred Drug List

	plans.	1/05
VT H 516 (2005) H. Approp. Comm.	FY06 Budget (§305) Tightens the requirements for use of the state preferred drug list by requiring case-by-case evaluation of mental health drugs rather than blanket exemption. *(signed by governor as Act 63, 6/23/05)*	Medicaid, others as above
VA HB 1400 Governor (2003)	FY 03-04 Budget (§ZZ) requires state to implement a Medicaid preferred drug list by January 1, 2004 States that other state agencies should "consider utilizing a Preferred Drug List program for non-Medicaid clients." (§AAA) *(signed by governor as Chapter 1042, 5/1/03)*	Medicaid; option for other state agencies
WA (2001)	*(WA Medical Assistance Administration regulations, 12/1/01) -* 01-73 Therapeutic Consultation Service (TCS), Four Brand Limit and Preferred Drug List.	Medicaid
WA SB 6088 (2003) Sen. Deccio	Authorizes state agencies to develop and use a preferred drug list created by a committee of medical professionals, termed an "evidence-based prescription drug program." *(signed by governor, 6/26/03)*	All state agencies
WA SB 5471 (2005) Sen. Thibaudeau	Authorizes a prescription drug purchasing consortium, based upon the evidence-based prescription drug program. Uses features of the 2003 state bulk purchasing pool, including a preferred drug list. Effective 7/24/05. *(signed governor as Chapter 129, 4/21/05)*	All state agencies; Voluntary participation is authorized for local governments, private entities, labor unions and for individuals who lack or are underinsured for prescription drug coverage.
WV H 4666 (2002)	Authorizes the department to develop a preferred drug list and to implement a drug utilization review program to achieve "the most rational cost-effective medication therapy."	Medicaid; also State Employees WV State Employee PDL
WI SB 44 (2003) Gov. Doyle	In February the Governor announced the state would join with Michigan, Vermont and South Carolina in a new multi-state buying pool, using similar preferred drug lists and prior authorization. The 2003-4 Budget bill provides for a Medicaid PDL.	Medicaid; BadgerCare (SCHIP); SeniorCare WI PDL online 7/05
WY (2002)	Established Rx prior authorization, 9/1/02. A preferred drug list is in place beginning 2003.	Medicaid WY PDL online 11/06

Table 2: NON-MEDICAID PDLs

IL HB 209 (2003) Rep. Franks	The new Senior Citizens and Disabled Persons Prescription Drug Discount Program "may establish a preferred drug list as a basis for determining the discounts, administrative fees, or other fees or rebates." *(Signed 6/16/03)*	Senior and disabled program (see above for others)
MD HB 1287 Del. Rudolph	Establishes the Maryland Rx program "to achieve savings on the cost of prescription drugs for the State Employee and Retiree Health Program and local governments, through use of PDLs, manufacturer rebates, negotiated discounts and other cost savings measures. (S*igned as Chapter 428 of 2005, 5/10/05)*	2005 Maryland Rx discount plan; State Employee Rx plan, local governments

SD S 216 (2003)	Establishes a senior citizen prescription drug benefit program, "to negotiate the purchase of prescription drugs to be offered at a reduced cost to the eligible participants." *(Signed 3/20/03)*	Senior discount program only

Table 3: EXAMPLES OF EXEMPTIONS AND EXCEPTIONS FROM PDLs

Most PDL States Have Included Some Type of Exemption Policy
Data from Dan Mendelson, © Health Strategies Consultancy, LLC - September 2003

State	Mental Health				HIV/AIDS	Cancer
	Anti-depressants	Anti-convulsants	Anti-psychotics	Atypical anti-psychotic		
AL			X	X	X	
CA					X	X
FL	X	X	X	X	X	
GA	X	X	X	X		
IL		X	X	X	X	
IN	X	X	X	X		
KS	X	X	X	X	X	X
KY						
LA		X	X	X	X	X
ME	X			X		
MA				X		
MI	X			X		
MS				X		
OH	X	X	X	X		
OK						
OR	X	X	X	X	X	X
VT	X		X	X		
WA	X		X	X	X	X
WV	X			X		
CO	X*	X *	X*	X*	X*	(as of 2/07)
NY	X			X	X	(as of 6/06)

Note (1) - This memorandum was originally researched in February 2003 for internal distribution. This edition has been expanded and updated through mid-2006. A more extensive description of these laws and programs, including web links to full text, is included in NCSL's report online at www.ncsl.org/programs/health/medicaidrx.htm, updated regularly.

Vermont: The Development of the Preferred Drug List and Drugs that Require Prior Authorization - published August 2004.

APPENDIX A - State Policymakers Speak Out; Disagree

1) A Short History of New York PDL Actions, 2003-04

The New York Times 12/18/03 story ("States Try to Limit. . .") gives the erroneous impression that the New York State Legislature simply said "no" to creating a Medicaid Preferred Drug List/Prior Authorization (PDL/PA) program.

The only Medicaid providers whose services and rates of payment are virtually unregulated by New York's Medicaid program are the ones who happen to be huge for-profit corporations -- drug companies. I believe a PDL/PA program -- if done right -- can be an effective way to reduce what we pay to drug companies and encourage prescribers to focus on effectiveness and cost, without restricting access to drugs.

Early in '03, Gov. Pataki said that he would create a Medicaid PDL/PA program under existing statutory authority. The Assembly and Senate both felt strongly that a PDL/PA program makes sense, but that its terms have to be set by the Legislature, not administrative action. Unfortunately, efforts to draft such legislation during the budget negotiations did not get very far.

Therefore, we put language in the budget legislation requiring that any PDL/PA program would have to be established by subsequent legislation. Our intention was to negotiate and enact such legislation during the '03 session. Negotiations among the Assembly, Senate and Governor did go on during the spring, summer and fall.

Among other important issues, we made considerable progress on having health care professionals and consumers controlling the "pharmacy and therapeutics committee," assuring openness in the development of the PDL, making the PA process as simple and easy as possible, and requiring that the patient's health care provider have the final say on prescribing a non-preferred drug.

However, there are still several outstanding issues. The Assembly is insisting that in any therapeutic class, the best drug in the class be included, even if it is not the cheapest. After the best drug is included, then price and supplemental rebates or discounts could be considered for other drugs to be added to the list. But the Governor wants to be able to have a preferred list of the cheapest drugs, not necessarily the best.

I expect that PDL/PA legislation will be back on our agenda for the '04 session.

From Richard N. Gottfried, Chair, New York State Assembly Committee on Health, 12/19/03

2) Commentary: States' Preferred Drug Lists Causing Patients Unnecessary Distress, Pain

John L. Valentine (R-Orem) is president of the Utah State Senate. Published in Health Care News, 9/05

In early August, the Utah legislature's Executive Appropriations Committee declined to institute a Preferred Drug List policy that would require Medicaid recipients to use drugs on a discount list or go through a prior authorization process.

A few reporters and editors were quick to broadcast their assumption that this decision was driven by political contributions. That assumption is wrong.

States' PDL Policies Failing

In 2001, the state of Maine implemented a PDL policy--one of the first in the nation. Eight months ago, the MaineCare Advisory Committee's Prior Authorization Subcommittee submitted to the state Department of Health and Human Services a report, *Report and Recommendations on Prior Authorization for Prescription Drugs in the MaineCare and Drugs for the Elderly Programs*, that scrutinized Maine's system and found what it characterized as "disturbing trends." According to the report:

- emergency room visits have increased;
- hospital admissions and patient referrals to specialists have increased;
- many patients have experienced a worsening of their medical conditions as they jump through hoops to get medications not on the PDL;

- many patients have been forced to go to the doctor multiple times to get the right medicine;

- medical staff time and attention have been diverted from patient care to handle "voluminous paperwork" and increased calls from patients;

- doctors have cut off or are limiting the number of Medicaid patients they accept, because of the increased administrative burden; and

- quality of care has decreased, with patients suffering painful consequences.

The subcommittee report noted, while a PDL "is an important cost containment tool, aspects of its implementation have adverse consequences directly affecting the health care of thousands." Other PDL states are also experiencing serious problems.

Problems Develop over Time

I found those concerns to be compelling.

As a taxpayer and legislator, I would like nothing more than to save money in our Medicaid program. The bottom line for me, however, is that I am unwilling to conduct medical experiments on our most vulnerable residents.

Some have asked why we don't just approve a limited program to see how it would work. The answer is simple. We imagine that we might well save a significant amount of money in the short term, as have Maine and the other PDL states. Short-term savings, however, are only part of the equation.