

Medicaid Preferred Drug List Background Information for Advocates

What is the Preferred Drug List?

The Preferred Drug List (PDL) is a method most states use in their Medicaid programs to control the rising costs of prescription medications. Within most therapeutic classes of drugs (anti-depressants, beta blockers, etc.), there are several types of medications including expensive brand-name drugs still under patent and less expensive generic drugs. The PDL is intended to steer physicians and patients toward the less expensive generic drugs or brand-name drugs for which the state has received a “supplemental rebate” from the manufacturer (all drug manufacturers must provide a rebate to the states to have their medications included on the Medicaid formulary, so a supplemental rebate is an additional cash or in-kind payment to the state to be included on the PDL).

How does the PDL Work?

When a patient receives a prescription and takes it to a pharmacy, the pharmacist will determine if the medication is on the PDL or not. If not, the pharmacist must contact the physician and have the physician call for Prior Authorization (PA). In order to obtain PA, at least one of the following criteria must be met:

- Treatment failure with preferred product;
- Contraindication (i.e. not appropriate for a particular patient) to preferred product; or
- Allergic reaction to preferred product.

Certain specific medications have additional criteria which warrant PA such as the age of the patient or previous reaction to the pill form of a medication versus syrup. To determine whether a medication is on the PDL or the criteria for PA, simply go to the Health and Human Services Website for the most current PDL: http://www.hhsc.state.tx.us/HCF/vdp/pt/PDL_Program.html.

Who Can Obtain Prior Authorization?

Only the prescribing individual (physician, physician assistant, dentist, nurse practitioner, etc.) or his/her representative may obtain PA. They must call the Prior Authorization Hotline at **1-877-PA-TEXAS** between 7:30am and 6:30pm (CST), Monday – Friday. Neither the pharmacist nor a patient advocate may call the PA Hotline.

What if the PA Hotline is Closed or the Physician is not Available?

Under federal law, the patient is entitled to a 72 hour emergency supply of the prescribed medication under these circumstances.

What if the PA Request is Denied?

The physician will have the option of prescribing a preferred medication and/or submitting a request for reconsideration by mail. If the request for reconsideration is denied, then it is the patient’s or patient representative’s responsibility to appeal the decision through the Medicaid Vendor Drug appeal process (see “How to File and Appeal with the State”).

When is PA Automatic?

Under certain circumstances, PA is automatic. If the patient has a history of using a preferred drug and is switching to a non-preferred drug, the Medicaid program will assume that the preferred drug was ineffective.