Medicaid Reimbursement for Drugs Act

Summary

This Act repeals the ability of current or future state Medicaid programs to restrict access to drugs with closed formularies. Specifically, the legislation states that no state department, division, or agency shall maintain a drug formulary that restricts a physician’s ability to treat a patient with a drug that has been approved and designated as safe and effective by the federal Food and Drug Administration.

Model Legislation

{Title, enacting clause, etc.}

Section 1. This Act may be cited as the Medicaid Reimbursement for Drugs Act.

Section 2. A practitioner may prescribe legend drugs in accordance with this chapter that, in the practitioner’s professional judgment and within the lawful scope of the practitioner’s practice, the practitioner considers appropriate for the diagnosis and treatment of the patient. No state department, division, or agency shall maintain a drug formulary that restricts a physician’s ability to treat a patient with a drug that has been approved and designated as safe and effective by the federal Food and Drug Administration, except drugs for cosmetic purposes, by any method including any prior or retroactive approval process for reimbursement. A state department, division or agency may reimburse for multisource legend drugs in the generic form, in accordance with state and federal law, unless an exception has been made by the prescribing practitioner.

Section 3. {Severability clause}

Section 4. {Repealer clause}

Section 5. {Effective date}

1995 Sourcebook of American State Legislation

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