

ADVISORY GROUP ON Efficiency and Benchmarking **PROPOSAL#:** AGEB # 33
SUBJECT: Medicaid/Preferred Drug List **DATE ADOPTED BY ADVISORY GROUP:** 10-19-09
COMMISSION ACTION: _____ **DATE:** _____

RECOMMENDATION: That the preferred drug list program for Medicaid be changed to provide for the two, and only the two, most effective therapeutic drugs that are also the cheapest for each illness. (This includes both generics and brand name drugs that offer rebates.) This will eliminate hundreds of less effective and more expensive drugs from the preferred drug list and could save taxpayers tens of millions of dollars.

Summary Description/Nature of Change	Key Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/Study
That the preferred drug list program for Medicaid be changed to provide for the two, and only the two, most effective therapeutic drugs that are also the cheapest for each illness. (This includes both generics and brand name drugs that offer rebates.) This will eliminate hundreds of less effective and more expensive drugs from the preferred drug list and could save taxpayers tens of millions of dollars.	Legislature, Executive Agencies	To save money by creating a competitive environment in which drug manufacturers compete to have their product included on the preferred drug list for the Medicaid program.	Statutory Amendment	Potentially tens of millions in taxpayer dollars.	