

# TAHP Opposes HB 1283 & SB 1113 Permanently Delaying the PDL



TAHP opposes any further delays in the preferred drug list (PDL) carve-in. Pharma lobbying has delayed this implementation for 10 years.

Texas should not prioritize protecting Pharma profits over improved patient care and taxpayer savings. Further delays will continue to hurt health outcomes and timely access to prescription drugs, negatively impact efforts to modernize and improve patient outcomes, and substantially increase Medicaid costs for taxpayers.

TAHP supports the planned implementation of allowing managed care plans to fully manage the Medicaid preferred drug list on September 1, 2023, in order to save taxpayer dollars and provide more efficient and timely access to prescription drugs. No legislative action is needed to make this happen.

**Texas patients deserve better access** to prescription drugs in the state's Medicaid program. For years, families on Medicaid have been subject to a pharma-influenced formulary that results in higher costs for taxpayers, unnecessary administrative hassle for Texas doctors, and frustrations and delays in access to necessary prescription drugs for Texas families.

## Why the state's pharma-backed drug list is a problem for Texas families:

- Shortages often plague name-brand drugs. In 2022, rebate chasing led the state to switch back to brand name drugs like Adderall for the treatment of ADD/ADHD. When those brand drugs began having shortages, patients needed to switch back to the generic options they were previously on, which required prior authorization. **More paperwork, more hassle, more headache.**
- The only preferred drugs for sleep disorders are controlled substances like brand-name Ambien, leading to potential abuse, negative drug interactions, and addiction. **Safer, less addictive generic alternatives are available but not used.**
- Previously on the PDL for short term relief of asthma was an albuterol inhaler that didn't come with a dose counter. Families could not tell when their inhaler was out of medication and **children were sent to the ER and often hospitalized.**
- Generally, when patients are discharged from a hospital after receiving mental health treatment, they receive a two-week supply of medication. Hospitals do not often stock brand name drugs or check the state's PDL before dispensing. After the medication runs out, even if the patient is stable on the medication, Medicaid families are forced to switch

to drugs on the PDL—**putting them at risk of a preventable readmission**. Currently, the highest rate of preventable readmissions in Texas Medicaid is mental health related.

- Medicaid patients routinely cycle off coverage when their income eligibility changes. When these families go to fill their medications without insurance, **they face the full cost of their brand name drug that was on the PDL and a new barrier to staying healthy**.
- Regularly, the state's preferred list does not include medications for some common illnesses and diseases. For example, none of the currently approved antibiotics on the PDL treat non invasive E.coli infections. Instead, **treatments for these drugs are found on the non-preferred drug list. This subjects patients to unnecessary delays** as they wait for their prescribed medication to be approved.

**Bottom line:** Under the currently scheduled carve-in of the PDL, Medicaid families will have a more stable drug benefit that better reflects what physicians routinely prescribe and pharmacists stock.

**Backstory:** Prior to 2011, Medicaid drug costs were out of control, almost doubling in a decade and growing more than 6.5% on average each year. In 2011, the Legislature passed [SB 7](#), which carved prescription drug coverage into managed care in order to slow rapid growth in Medicaid drug spending. The first step happened immediately—managed care organizations (MCOs) took over responsibility for administering the drug benefit, and successfully cut drug cost growth in Texas Medicaid by 50%. The second step, allowing MCOs to develop PDLs, was originally scheduled for 2013 but keeps getting delayed by heavy lobbying from drug companies that want to keep brand name drugs on the state's PDL over cheaper generics.

**Why the delay?** In 2013, the state was set to fully carve-in the drug benefit. But Pharma lobbying got that date moved to 2018 and then again to 2023, so that drug makers could continue to successfully influence the state's formulary development by winning placement for brand name drugs over cheaper generics. A Center for Public Integrity and NPR [investigation](#) found drug companies have a history of successfully lobbying state Medicaid drug boards that make these formulary decisions to help bolster their profits and waste taxpayer dollars.