Does Florida Medicaid's State-Mandated Formulary Prescription Influence Prescription Drug Utilization and Costs?

**ABSTRACT:**

BACKGROUND: Medicaid managed care plans participating in Florida’s Statewide Medicaid Managed Care program were required to use a State-mandated preferred drug list (PDL) instead of their self-selected drug list. 

OBJECTIVE: To compare health plan drug utilization and plan costs between members enrolled in Florida Medicaid managed care plans before and after the implementation of the State-mandated PDL policy to those among members in a comparable Medicaid health plan without State-mandated formulary. 

METHODS: A retrospective cohort study with a pre-post design was conducted on persons ages 21-64 years who had continuous enrollment in a Florida Medicaid health plan or a comparable health plan for 3 months before and 3 months after the policy implementation. The final analytic sample consisted of 9,182 members in each group for a total of 18,364 members. 

RESULTS: The sample was predominantly female (56%) and non-Hispanic (90%). The mean age was 37 years. Of the total sample, 45% were aged 45-64 years and 29% were aged 18-34 years. The mean plan costs for Florida Medicaid managed care plans increased by $29.16 (P<0.001) and were statistically higher compared to the plan costs among the comparable Medicaid control group over the same time period as the main independent variable of interest. All regression models were adjusted for age, gender, and disease burden proxy (product identifiers). 

CONCLUSION: Our findings highlight the unintended consequences of decreased drug utilization and associated plan costs among Florida Medicaid plan members enrolled in a State-mandated PDL policy compared to their counterparts enrolled in a comparable Medicaid health plan without State-mandated formulary. 

Keywords: Medicaid managed care, State-mandated formulary, drug utilization, plan costs, policy implementation.