



## NYRx Cost-Optimization Program Overview

In December 2025, NYRx, the Medicaid Pharmacy program will initiate the Cost-Optimization Program. This program focuses on new formulations and dosages of older drug products that are disproportionately priced to other strengths of the same, or similar drugs in the same drug class without any additional clinical benefit. Prescribers are encouraged to achieve the desired dose by using multiple or half of the lower cost strength or choosing the lower cost formulation (e.g., tablets versus capsules), or choosing a lower cost therapeutic comparable drug in the same drug class.

### Regulatory Framework:

Per NYCRR Section 513.4(d), prescribers and pharmacies must ensure that less costly, adequate alternatives are considered to meet the patient's medical needs. Use of formulations or dosages solely for convenience is not deemed medically necessary.

### Coverage Policy:

Drugs listed in Appendix A require manual review by NYRx. Prescribers may submit a request for coverage by providing: (1) a letter of medical necessity, (2) peer-reviewed literature, **and** (3) patient chart notes. This documentation should justify why the specific formulation/dosage is essential. All required documents may be sent to [NYRx@health.ny.gov](mailto:NYRx@health.ny.gov). For privacy and security, Protected Health Information (PHI) sent through email must be encrypted. Please note, reviews will not be initiated until all required documents are received.

### Claims Processing:

Claims for these drugs will reject with NCPDP Reject code "75" (Prior Authorization Required).

### Appendix A – Agents Requiring Manual Review:

The following drugs will require a manual review for coverage approval:

|                                     |                                    |
|-------------------------------------|------------------------------------|
| ✓ Carbinoxamine Maleate 6mg Tablet  | ✓ Meloxicam 5 and 10mg Capsule     |
| ✓ Chlorzoxazone 250mg Tab           | ✓ Metformin HCl 750mg (IR) Tablets |
| ✓ Diclofenac Potassium 25mg Tablets | ✓ Relafen DS 1,000mg Tablet        |
| ✓ Dolobid 250mg Tablets             | ✓ Tetracycline 250mg Tablet        |
| ✓ Halcinonide 0.1% Solution         | ✓ Tolectin 600mg Tablet            |
| ✓ Hydrocortisone 2.5% Solution      | ✓ Tolmetin Sodium 400mg Capsule    |

*Note: These drugs have FDA-approved, effective alternatives. Prescribers are encouraged to consult the Medicaid Pharmacy List of Reimbursable Drugs [here](#).*

### Monitoring & Updates:

The Department will review and update this list as needed. For questions, contact NYRx at [NYRx@health.ny.gov](mailto:NYRx@health.ny.gov).