Dear State Medicaid Director:

Section 1903(i) of the Social Security Act (the Act), as amended by section 104 of the Public Law No. 109-91, the QI, TMA, and Abstinence Programs Extension and Hurricane Katrina Unemployment Relief Act of 2005, prohibits Medicaid Federal financial participation (FFP) for drugs used for the treatment of sexual or erectile dysfunction, effective with respect to drugs dispensed on or after January 1, 2006.

With respect to drugs dispensed on or after January 1, 2006, the law eliminates Medicaid coverage of drugs used to treat sexual or erectile dysfunction, as set forth in section 1927(d)(2)(K) of the Act, unless such drugs are used to treat conditions other than sexual or erectile dysfunction and these uses have been approved by the Food and Drug Administration. Section 1903(i)(21) of the Act specifically precludes Medicaid FFP with respect to amounts expended for covered outpatient drugs after January 1, 2006, when used for the treatment of sexual or erectile dysfunction.

States should review their Medicaid State plans to determine whether they reference this category of drugs and submit a State Plan amendment if necessary, to be effective January 1, 2006.

If you have any questions regarding this letter, please contact Deirdre Duzor, Director of CMSO's Division of Pharmacy, at 410-786-4626.

Sincerely,

Dennis G. Smith
cc:

CMS Regional Administrators

CMS Associate Regional Administrators
    for Medicaid and State Operations

Martha Roherty
Director, Health Policy Unit
American Public Human Services Association

Joy Wilson
Director, Health Committee
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