

# U.S.: Medicaid Must Cover Viagra

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The federal government ordered states yesterday to cover Viagra under their Medicaid programs, infuriating many of the nation's governors, who swiftly accused U.S. health officials of costing them millions of dollars and ignoring their worries about the male impotence drug.

The unexpected directive, dispatched in a letter from the Department of Health and Human Services, told states that federal law requires them to pay for the expensive, enormously popular drug through Medicaid, the insurance program for the poor and disabled. Any state Medicaid program that covers prescription medicines, the letter said, must also pay for Viagra.

But states countered that, in issuing its order, the federal government was putting them in the untenable position of covering Viagra for men while virtually none of them cover birth control or infertility treatments for women. And they said federal officials had rushed to condone Viagra just as warnings are beginning to surface that the drug's huge popularity may be causing deaths among some men. Some state officials said they also feared that if the government insurance program pays for Viagra, it could have the unintended effect of creating a black market for the pills.

"What we know about some of the real danger signs of Viagra really raise serious concerns," said Elaine Ryan, government affairs director for the American Public Welfare Association. "To move forward . . . at this point, without the consultation of the states that will have to [bear] this burden, is unacceptable."

Based on the association's survey of several states, Ryan predicted that Viagra will add \$100 million to \$200 million nationwide to states' Medicaid expenses. At a time when states are working to extend health insurance to more children and elderly and disabled people, they "can't sustain this kind of cost," she said.

Medicaid, the public insurance program for 36 million poor and disabled Americans, is a shared responsibility of the federal government and states. Nearly 4 million men are in the program.

The federal government pays slightly more than half the bills and decides which basic kind of benefits should be covered. But states are free to decide whether to pay for many additional services, including prescription drugs. In practice, however, every state has chosen to provide coverage for prescriptions.

The Viagra dispute involves exactly which drugs states must cover. Until now, at least a dozen states, including Maryland, have chosen to cover the pill, which has the potential not only to overcome impotence but also to improve healthy men's sexual performance. An equal number of states have decided not to cover Viagra, while other states were awaiting instructions from the federal government.

The timing of yesterday's letter from Nancy-Ann Min DeParle, head of the Health Care Financing Administration, angered several states because they contended HHS had promised to meet with state officials before settling the matter.

"That never happened," said Jennifer Baxendell, the National Governors' Association's director of health legislation, who said the group is beginning to try to persuade members of Congress to consider overturning the Viagra decision.

In her letter, DeParle said that, under a 1990 law, states must "with a few limited exceptions" include in their prescription drug coverage any medication that has been approved by the Food and Drug Administration. She said Viagra has been approved for treating impotence and does not fall within any of the exceptions, which include diet pills, smoking cessation products and fertility treatments.

But states argue that the exception for fertility drugs should pertain to Viagra.

Chris Peacock, an HCFA spokesman, said that the agency considers impotence a separate medical problem from infertility. But Baxendell of the governors' association countered, "some of the states argue they are inextricably linked."

DeParle said in her letter that states were free to set limits on how many pills patients could get in each prescription, or how many refills they could get. She also said the agency would create a "rigorous system" to monitor the financial and medical effects of its Viagra policy.

States complained, however, that the federal directive made clear that they must begin covering the drug immediately, long before such a system is developed.

In the Washington area, Virginia officials had decided not to cover Viagra, saying they considered it an inappropriate use of taxpayer money.

Last night, a spokesman for Gov. James Gilmore (R) said he had not seen the federal directive, so could not comment on it or predict what effect it would have on the state's \$2.6 billion annual Medicaid budget, which includes coverage for about 70,000 men.

District Medicaid chief Paul Offner predicted the directive would not have much effect.

Staff writers Av Goldstein and Spencer Hsu contributed to this report.