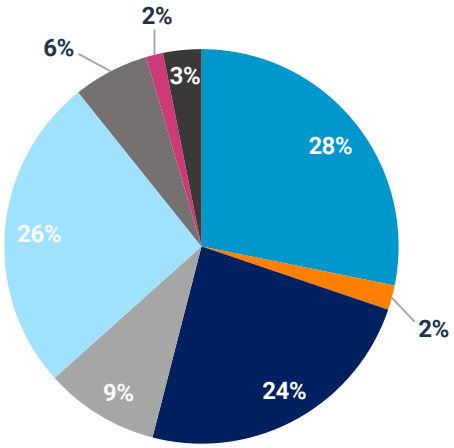
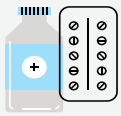
The Facts About Prescription Drugs and Medicaid in the United States

Medicaid provides health care coverage to low-income, aged, and disabled individuals and families. Over one-in-five Americans are covered by Medicaid.[1] Without Medicaid, millions of Americans would not have access to necessary health care services, including prescription medicines. All 50 states, DC, and Puerto Rico elect to cover prescription drugs as a benefit under the Medicaid Drug Rebate Program (MDRP).[2] The MDRP is a federal-state-drug manufacturer program that provides significant rebates that Medicaid programs use to offset the costs of prescription drugs while enabling patients to access needed medicines.

Breakdown of FFY 2023 Medicaid Spending in the United States[3]



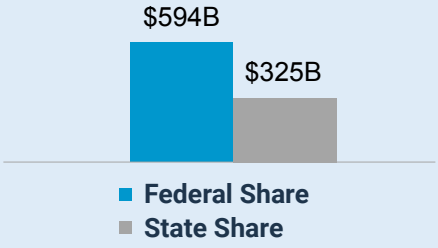


Only 5% of the total Medicaid spending in the United States is spent on retail brand and generic prescription drugs.

- Nursing, Rehabilitation Services / Home Health Care, Personal Assistance & Waiver Programs
- Hospital Care
- Professional Services
- Other Health and Durable Medical Equipment
- Administrative
- Brand Rx
- Generic Rx
- Mental Health Facilities

Manufacturers rebate $58 billion back to the federal government and state governments, which is 55% of the total Medicaid spending on drugs.[4]

$919B was spent on Medicaid During FFY 2024.[5]



21% of Americans were covered by Medicaid in 2024.[6]

Medicaid fills gaps in coverage for those disproportionately impacted by chronic conditions, like asthma and diabetes.[7]

Medicines are an important tool for controlling Medicaid costs.[8]

- Reducing access to drugs can lead to higher acute care utilization and costs.
- Denials in six medication classes were associated with net total medical spending increases.

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2. Medicaid Drug Rebate Program, November 2025. Retrieved from https://www.medicaid.gov/medicaid/prescription-drugs/medicaid-drug-rebate-program
3. Menges Group analysis of FFY2023 CMS Financial Management Reports (FMR) and State Drug Utilization (SDU) data files. Brand/generic expenditure totals net of rebates. Data predominantly derived from CMS FMRs. Pre-rebate expenditures tabulated using FFY2023 CMS SDU data files and CMS brand/generic indicators for each NDC.
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5. Total Medicaid Spend; https://www.kff.org/medicaid/state-indicator/federalstate-share-of-spending/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D
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