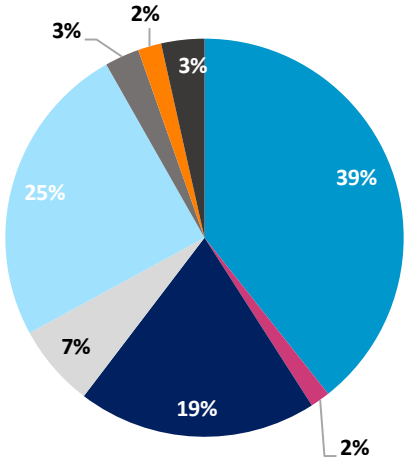
The Facts About Prescription Drugs and Medicaid in Montana

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 and the District of Columbia 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 to Medicaid programs that offset the costs of prescription drugs while ensuring patients can access needed medicines.

Breakdown of FFY 2024 Medicaid Spending in Montana[3]

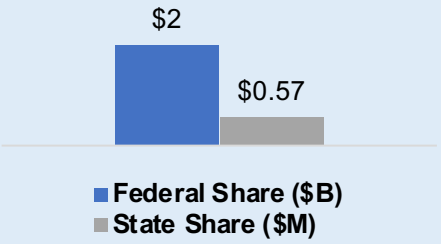


Only 5% of the total Medicaid spending in Montana is spent on retail brand and generic prescription drugs

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

Manufacturers rebate $293 million back to Montana and the federal government, which is 69% of the total Medicaid spending on drugs in the state.[4]

$2B was spent on Medicaid in Montana During FFY 2024[5]



22% of Montanans 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 6 medication classes were associated with net total medical spending increases.

1. 10 Things to Know About Medicaid; Kaiser Family Foundation, Feb 2025. Retrieved from https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid/
2. Medicaid Drug Rebate Program, November 2025. Retrieved from (MDRP) 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.
4. Ibid.
5. Total Medicaid Spending https://www.kff.org/medicaid/state-indicator/total-medicaid-spending/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D; https://www.kff.org/medicaid/state-indicator/federalstate-share-of-spending/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D.
6. 10 Things to Know About Medicaid; Kaiser Family Foundation, Feb 2025. Retrieved from https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicaid/
7. https://www.kff.org/medicaid/medicaid-efforts-to-address-racial-health-disparities/
8. Muralidharan B., et al. "Procedural Prescription Denials and Risk of Acute Care Utilization and Spending Among Medicaid Patients," JAMA Network Open, vol. 8, no.1, 2025