

NYRx Cost Optimization Program Overview

January 14, 2026

What Pharmacy Providers and Prescribers Need to Know

NYRx, the Medicaid Pharmacy Program, is initiating a cost optimization program to help address increasing drug costs. This program focuses on a specific drug trend that is primarily occurring with new formulations and dosages of older drug products. These drugs are being manufactured and entering the market with **substantially higher launch prices** than equally efficacious, cost-effective alternatives. They are also lacking additional clinical utility while others lack clear medical necessity for those specific formulations and dosages.

Pursuant to Title 18 of the New York Codes, Rules, and Regulations (NYCRR) Section 513.4(d), the ordering practitioner and dispensing pharmacy are responsible for assuring that adequate and less expensive alternatives to meet the member's medical needs have been explored and, where appropriate and cost effective, are prescribed and dispensed. The use of affected formulations and dosages for convenience of the member or prescriber is not considered medically necessary. NYRx, covers medically necessary Food and Drug Administration (FDA) approved drugs when used for Medicaid-covered indications.

Effective **December 18, 2025**, the following drugs will **require a Manual Review by NYRx** for coverage approval:

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

Note: The drugs in this list have FDA-approved, safe, and effective alternatives for their common uses. Prescribers may consider alternatives using the [Medicaid Pharmacy List of Reimbursable Drugs](#). Not all drugs listed are on the [NYRx Preferred Drug List \(PDL\)](#), however, those that are, will have a superscript of **MR**. This list is subject to change. For the most up-to-date list of drugs, see the [NYRx Cost Optimization Program Overview](#).

The above drugs will reject with National Council for Prescription Drug Programs (NCPDP) Reject code “75”, Prior Authorization Required. These drugs will not be approvable by Prime. A Manual Review by the New York State Department of Health will be required.

If a prescriber has determined that one of these drugs is the only appropriate treatment for a Medicaid member, they may submit a letter of medical necessity and supporting documentation to NYRx@health.ny.gov for a review of coverage. **Supporting documentation must include peer reviewed literature and chart notes that justify why the prescribed formulation/dosage is medically necessary.**

Resources

- [NYRx Cost Optimization Program Overview](#)
- [NYRx Education & Outreach Website](#)
- [NYRx Preferred Drug List](#)

Contact Information

The NYRx Education & Outreach Call Center is available by phone at 1-833-967-7310 or by email at NYRxEO@primetherapeutics.com from 8:00 AM to 5:00 PM ET, Monday through Friday, excluding holidays.

The NYRx Education & Outreach team hosts virtual office hours every week for stakeholders to ask questions related to NYRx and care coordination. Visit the [NYRx Education & Outreach website](#) for more information.