

Effective Date: 01/2026
Revised:
Reviewed: 12/2025
Scope: Medicaid portion of FIDE SNP

High-Cost Lidocaine Patch Exception Criteria

BACKGROUND

To prevent Fraud, Waste & Abuse (FWA), Neighborhood’s Pharmacy Department implemented a maximum cost edit on over-the-counter lidocaine patch preparations for 2026. This edit allows over-the-counter lidocaine patches under \$200 per fill to be adjudicated at the pharmacy without authorization. Any fill above this cost threshold will reject for the cost edit and will require prior authorization. This cost threshold was chosen based on an analysis of lidocaine patch utilization in 2024 and 2025 that showed the average cost per fill, when high-cost lidocaine patch preparations over \$500 per fill were excluded, was \$21.48. The max cost threshold was set to be at least five times this average fill amount.

POLICY

I. CRITERIA FOR APPROVAL

An authorization for a high-cost over-the-counter lidocaine patch may be granted when all the following criteria are met:

- A. The requested drug/product is being used per the product’s labeling or for an FDA-approved indication or a medically accepted indication as defined in any one of the following standard reference compendia: American Hospital Formulary Service Drug information (AHFS-DI), Thomson Micromedex DrugDex, Clinical Pharmacology, Wolters Kluwer Lexi-Drugs, or peer-reviewed published medical literature indicating that sufficient evidence exists to support use.
- B. The prescribed dose and quantity fall within the product’s labeling or within FDA or compendia-supported dosing guidelines.
- C. The member has tried and failed all lower cost formulary alternative over-the-counter lidocaine patch preparations. Documentation of the tried and failed alternatives must be submitted.

II. CONTINUATION OF THERAPY

- A. Patient meets all initial criteria in section I.

III. COVERAGE DURATION

- Up to 12 months

IV. REFERENCES

1. Claims Detail OTC Lidocaine Patch Utilization August 2024-July 2025, Neighborhood MMP Members.
2. NHPRI Formulary Management Policy and Procedure.