



STATE OF NEW YORK  
INSURANCE DEPARTMENT  
AGENCY BUILDING ONE  
EMPIRE STATE PLAZA  
ALBANY, NY 12257

Circular Letter No. 12 (1998)  
April 28, 1998

**TO: ALL INSURERS AUTHORIZED TO WRITE ACCIDENT AND HEALTH INSURANCE, INCLUDING ARTICLE 43 CORPORATIONS AND HEALTH MAINTENANCE ORGANIZATIONS**

**RE: NEWLY APPROVED IMPOTENCY DRUG VIAGRA**

The Federal Food and Drug Administration has recently approved the new drug Viagra for the treatment of impotence. The Department understands that this new drug is being prescribed on a regular basis by physicians and that insurers are beginning to receive claims for coverage of the cost of Viagra. A number of issues are being raised with regard to insurance coverage for this new drug. These issues include:

- A concern that the drug is prescribed only for men who are truly impotent;
- Whether an insurer will require verification of impotence and, if so, what the verification will encompass;
- Is the insurer establishing unnecessary requirements in order to delay coverage;
- If coverage is provided, how many pills would be covered and for what period of time would coverage extend; and,
- What is the potential impact on the premium rate if Viagra is covered.

The Insurance Department recognizes the potential benefits of this new drug. However, we are also cognizant of the validity and importance of the above mentioned issues. We strongly encourage all insurers to adopt a thoughtful policy with regard to any coverage for Viagra. The Department is interested in reviewing company policies with regard to payment for Viagra. Please submit your policy regarding coverage for Viagra, including any and all conditions that apply to such coverage, to my attention, by June 15, 1998, at the following address:

Health Bureau  
New York State Insurance Department  
Empire State Plaza, Agency Building 1  
Albany, New York 12257

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Fredric L. Bodner  
Assistant Deputy  
Superintendent and Chief  
Health Bureau

