



## ISSUE BRIEF

# MEDICAID VBPs FOR PATIENTS ACT (S. 1637)

### BACKGROUND

The *Medicaid VBPs for Patients (MVP) Act* (S. 1637) is an important bipartisan bill that will enhance Medicaid patient access to new, high-cost therapies, such as cell and gene therapies, by modernizing the framework for value-based purchasing arrangements in Medicaid. It also protects Medicaid from paying for high-cost treatments that are not effective. The MVP Act codifies the existing “multiple best price” rule that allows manufacturers to report multiple best prices, the lowest drug price paid by any health payer, for drugs that are subject to value-based purchasing arrangements when certain other criteria are met.

Pharmaceutical manufacturers have sometimes been unwilling to offer value-based arrangements for their products due to concerns that a drug failing for an individual patient could effectively set the best price available to Medicaid at zero dollars. The MVP Act clarifies that the best price under a value-based arrangement is the maximum possible price, assuming all patient outcome benchmarks are satisfied. Importantly, this does not mean that Medicaid programs are prohibited from collecting rebates or other price concessions under a value-based arrangement when the treatment fails to meet its benchmarks. For example, cell and gene therapies are complex treatments that may be effective for one patient but not another. The MVP Act further updates requirements for manufacturers to report information related to pricing structures for value-based arrangements to the *Centers for Medicare and Medicaid Services (CMS)*.

### AMCP Urges Passage of the MVP Act

AMCP strongly supports the passage of the MVP Act. Medicaid beneficiaries are among America’s most vulnerable patients. Value-based payment arrangements are a critical tool for promoting patient access to high-quality, affordable care. The MVP Act ensures that the proper channels exist to connect Medicaid patients with the therapies they need. Without wider participation in value-based payment agreements, Medicaid programs may be forced to choose between not covering a drug or paying for a treatment that does not have the expected benefit for the patient. AMCP urges Congress to pass the MVP Act (S. 1637). This important legislation will improve patient access to life-changing, potentially lifesaving, treatments. Value-based arrangements promote patient health while protecting Medicaid programs’ budgets. As more innovative therapies come to market, it is essential to equip Medicaid programs with the tools they need to be successful.

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