

May XX, 2022

The Honorable Charles Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi, and Minority Leader McCarthy:

The undersigned organizations offer enthusiastic support for [H.R. 7389](#), the *Medicaid VBPs for Patients (MVP) Act*, ensuring patients and payers only pay for prescription drugs that work. We encourage you to support and pass this bipartisan, commonsense solution to lowering drug costs and improving patient access.

While our nation continues to battle the COVID-19 pandemic, it is even more critical than ever to reframe how we deliver care by paying for outcomes, not volume. Paying for outcomes targets the right drug to the right patient at the right time, a task critical to the mission of state and federal governments as resources are increasingly spread thin.

The MVP Act would propel payment innovation by removing federal barriers to allow state Medicaid programs, private payers, and manufacturers to enter into value-based purchasing arrangements (VBPs) for prescription drugs.

In its recent rulemaking, the Centers for Medicare and Medicaid Services (CMS) recognized that VBPs can “assist states with providing Medicaid patients access to needed therapies while providing a payment arrangement that allows the state flexibility, including an option to only pay when a therapy actually works”.¹ However, CMS was unable to fully address the existing statutory obstacles to the treatment of VBP refunds triggered by non-responding patients with regard to federal reporting laws such as the average manufacturer price (AMP) and fraud and abuse laws (i.e. Anti-kickback Statute). These laws have the unintended effect of preventing deeper discounts from being provided, should agreed-upon outcomes fail to be achieved. These barriers shortchange taxpayers and, most importantly, patients.

Specifically, the MVP Act reflects and enhances the CMS VBP Final Rule by providing certainty in the marketplace for value-based payments. The bill also clarifies certain price reporting requirements and adds a safe harbor to the Anti-Kickback Statute.

¹ [Medicaid Program; Establishing Minimum Standards in Medicaid State Drug Utilization Review \(DUR\) and Supporting Value-Based Purchasing \(VBP\) for Drugs Covered in Medicaid, Revising Medicaid Drug Rebate and Third Party Liability \(TPL\) Requirements](#), 85 Fed. Reg. 87000, 87024-87026 (Dec. 31, 2020)

We are at the forefront of an exciting new era in medicine, with recent and forthcoming approvals of transformative therapies to treat diseases that were once considered untreatable. It is essential that VBPs be utilized to ensure patient access to these transformative but expensive therapies.

We look forward to working with you to ensure passage of H.R. 7389.

Respectfully,

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