The Honorable Mike Johnson
Speaker of the House of Representatives
568 Cannon House Office Building
Washington, DC 20515

The Honorable Hakeem Jeffries
House Minority Leader
2433 Rayburn House Office Building
Washington, DC 20515

The Honorable Chuck Schumer
Senate Majority Leader
322 Hart Senate Office Building
Washington, DC 20510

The Honorable Mitch McConnell
Senate Minority Leader
317 Russell Senate Office Building
Washington, DC 20510

Re: H.R. 2666 – The Medicaid VBPs for Patients Act of 2023

Dear Speaker Johnson, Leader Jeffries, Leader Schumer, Leader McConnell:

The undersigned organizations, representing a diverse coalition of stakeholders in American healthcare, write in support of the *Medicaid VBPs for Patients (MVP) Act of 2023* (H.R. 2666). This vital bill will enhance access to life-changing and potentially life-saving treatments for Medicaid beneficiaries, some of America's most vulnerable patients.

Value-based purchasing arrangements (VBPs) are important tools for promoting access to innovative therapies, such as cell and gene therapies. These treatments often carry hefty price tags due to their substantial development costs and labor-intensive administration, ranging from hundreds of thousands of dollars to millions of dollars. VBPs are contracts that index compensation to patient outcomes, protecting patients and payers if a treatment fails. This is particularly important for treatments that have highly individualized responses, such as cell and gene therapies. What works for one patient may fail completely for another.

Cell and gene therapies offer significant promise to many patients, including those with cancer and certain rare diseases. There have been 34 treatments considered to be cell and gene therapies approved by the Food & Drug Administration (FDA) as of January 2024, including Casgevy (exagamglogene autotemcel) — the first approved treatment to use CRISPR genome editing technology — in December.[1] These therapies treat a variety of serious conditions, including cancer, sickle cell disease, hemophilia, and spinal muscular atrophy. While these therapies are innovative and frequently curative, they are also costly. Casgevy, which treats sickle cell disease, costs $2.2 million for a course of treatment. Cell and gene therapies can cost millions of dollars on the high end, but the low end is still hundreds of thousands of dollars. Unfortunately, this puts these potentially life-saving treatments out of reach for many patients, especially those on Medicaid.

[1] "Approved cellular and gene therapy products." (2023). United States Food & Drug Administration. https://www.fda.gov/vaccines-blood-biologics/cellular-gene-therapy-products/approved-cellular-and-gene-therapy-products.

The MVP Act would help improve access to these therapies for America's most vulnerable patients while also protecting Medicaid programs from paying for expensive treatments that are not effective or are less effective than expected. Introduced by Representatives Brett Guthrie, Anna Eshoo, John Joyce, Jake Auchincloss, Mariannette Miller-Meeks, and Scott Peters, this bipartisan bill expands the ability of Medicaid programs and pharmaceutical manufacturers to enter into value-based purchasing agreements, where the price paid for the treatment is tied to how effective it is for the patient. This is the dominant practice in the commercial market, where parties agree to certain patient outcome benchmarks in advance. Reimbursement methods vary by contract but frequently include installment payments, partial or total refunds, and rebates.

The Department of Health and Human Services (HHS) finalized the Medicaid Multiple Best Price Rule in 2020 in an effort to expand the use of outcomes-based contracting, which were then underutilized by both private and public stakeholders. The rule was then further updated in 2022. While the rule served as an important release valve to motivate uptake of value-based contracts in the commercial market, Medicaid has not realized the same benefit. Many cell and gene therapies are only available under value-based contracts, leaving Medicaid beneficiaries without access. The MVP Act provides the clarification and stability that manufacturers and Medicaid programs need to voluntarily enter into outcomes-based contracts by clarifying that the best price under a value-based contract is the highest price paid assuming that all benchmarks are satisfied.

Medicaid programs currently have the option to approximate a fee-for-service price if they choose to cover a cell or gene therapy. This approach leaves them vulnerable because cell and gene therapies can often have highly individualized outcomes for patients. What is completely curative for one patient may be totally ineffective for another, or somewhere in between. Under a fee-for-service arrangement, the Medicaid plan is simply out the cost of the treatment in the event of failure. While a high price is worth it to cure a patient's condition, Medicaid programs are not equipped to absorb the cost if treatment is ineffective.

The MVP Act addresses these problems, and the Energy & Commerce Committee voted to send the bill to the full House of Representatives for a floor vote. We encourage the House to pass this bill and Senate action soon after. This critical legislation has the potential to reduce unnecessary Medicaid spending while expanding access to effective, life-changing treatments. We look forward to working with you to ensure the promise of this transformative legislation is realized before the end of the year.

Sincerely,

Academy of Managed Care Pharmacy
Alliance of Community Health Plans
American College of Clinical Pharmacy
American Society of Health-System Pharmacists
Council for Affordable Health Coverage
EveryLife Foundation for Rare Diseases
Hematology/Oncology Pharmacy Association
Medicaid Health Plans of America

Prime Therapeutics
Society of Infectious Disease Pharmacists