

## **MintzRx — Medicaid Best Price Value Based Purchasing Rules Took Effect July 1, 2022**

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Industry stakeholders have long lamented that Medicaid Best Pricing hindered outcomes-based rebate contracting and Value Based Purchasing (VBP) arrangements in the commercial space. For example, if a manufacturer sought to offer a commercial plan an outcomes-based contract, where the manufacturer rebates a substantial cost of the drug to the payor in instances where the drug fails to produce a desired outcome, the manufacturer would have to offer that same substantial rebate to all states, regardless of whether the drug produces desired outcomes for Medicaid patients. Effective July 1, 2022, Centers for Medicare & Medicaid Services (CMS) established a framework allowing pharmaceutical manufacturers to offer VBP arrangements to commercial payors without implicating Medicaid Best Price rules. Effective July 1, 2022, CMS allows the manufacturer to report multiple best prices for VBP arrangements, so long as the manufacturer makes the VBP arrangement available to state Medicaid programs. Notably, state Medicaid programs would be responsible for adhering to VBP arrangement participation requirements without the resources of commercial payors, so manufacturers are encouraged to grant states flexibility to make adjustments to the arrangement in accordance with program needs. We provide a full analysis of these changes in our [blog](#).

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