

March 11<sup>th</sup>, 2022

Rep. Brad R. Wenstrup (R-OH)  
Rep. John P. Joyce, MD (R-PA)  
Rep. Bruce E. Westerman (R-AZ)  
Healthy Future Task Force-Treatments Subcommittee  
United States House of Representatives  
Washington, DC 20510

Re: Healthy Future Task Force – Treatments Subcommittee Request for Information

Dear Representatives Wenstrup, Joyce, and Westerman:

The Medicaid Health Plans of America (MHPA) appreciates the opportunity to respond to the Treatments Subcommittee’s request for information (RFI) as part of the GOP Healthy Future Task Force in the U.S. House of Representatives. We support this important effort to engage stakeholders for input on potential paths forward to encourage and increase access to medical innovation that would benefit patients in need, including Medicaid beneficiaries.

MHPA is the only national trade association with a sole focus on Medicaid, representing more than 130 managed care organizations (MCOs) serving more than 43 million Medicaid beneficiaries in 40 states, the District of Columbia and Puerto Rico. MHPA’s members include both for-profit and non-profit, national and regional, as well as single-state health plans that compete in the Medicaid market. Nearly three-quarters of all Medicaid beneficiaries receive health care through MCOs, and the association provides research and advocacy services that support policy solutions to enhance the delivery and coordination of comprehensive, cost-effective, and quality health care for Medicaid beneficiaries.

We have focused our response on the following Goal and RFI question:

**Goal 1: Evaluate potential innovative payment solutions for expensive curative therapies in Medicare and Medicaid.**

Today, innovative products approved for the U.S. market are increasingly expensive. In addition, more one-time cures are appearing as game-changers for the treatment of certain diseases, but often come with a significantly high price tag. For example, in 2019, Zolgensma came to the U.S. market as a groundbreaking treatment for children with spinal muscular atrophy and with a price tag over \$2 million. At the end of June 2021, 22 cell and gene therapies had been approved by the Food and Drug Administration; cell therapies are typically priced close to \$500,000 per treatment course and gene therapies may approach or exceed \$1 million per treatment course.<sup>1</sup>

We believe efforts to support better management and predictability for drug spending will facilitate access to innovative medicines, particularly for Medicaid beneficiaries. Given Medicaid’s important role to serve as the safety-net coverage for millions of Americans with chronic and/or

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<sup>1</sup> <https://www.mercer.us/our-thinking/healthcare/gene-and-cell-therapy-the-rise-of-million-dollar-drug-treatments.html>

disabling conditions, the financial impacts of many expensive drugs and therapies have disproportionate impacts on state budgets. The Medicaid Drug Rebate Program (MDRP) requires that participating pharmaceutical manufacturers provide specific discounts to state Medicaid programs in exchange for coverage of the manufacturer's FDA-approved products. However, this requirement can mean that drugs must be covered even when they have not been factored into the establishment of Medicaid budgets or the setting of capitation rates for states that contract with Medicaid managed care plans.

We applaud recent rulemaking by the Centers for Medicare & Medicaid Services (CMS) to support the use of value-based purchasing arrangements (VBPs) as an important step forward to help address high-cost drug treatments and to address "best price" requirements as a barrier to VBPs. We would also encourage efforts to address other barriers that may continue to hamper implementation including concerns about potential beneficiary inducements. MHPA is hopeful that encouraging VBPs as an option for certain drug therapies will support access to innovative medicines for Medicaid beneficiaries as well as for all patients in need of these treatments.

We would also like to take this opportunity to underscore our support for integrated care delivery for the Medicaid pharmacy benefit. While most states that contract with managed care organizations carve in Medicaid pharmacy benefits to MCO contracts, an increasing number of states are seeking to "carve out" prescription drug coverage from managed care. We believe that pharmacy benefit carve-in models delivered through comprehensive risk-based Medicaid managed care support integrated care for the whole person resulting in improved health outcomes and cost savings.

Once again, thank you for the opportunity to provide input as you consider policy options related to these important health care issues. We believe this pathway for stakeholder engagement will ultimately benefit the Medicaid program and the beneficiaries we serve.

Please feel free to reach out to me directly at [sattanasio@mhpA.org](mailto:sattanasio@mhpA.org) with any questions or should you need any additional information.

Sincerely,

/s/

Shannon Attanasio  
Vice President, Government Relations and Advocacy