

Value-Based Purchasing Arrangements in Medicaid: A Targeted Literature Review

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Background

- Medicaid plays an essential role in the US health care system, covering nearly one-fifth of the US population.
- With the adoption of a CMS rule allowing manufacturers to report multiple best prices if associated with a value-based purchasing agreement (VBP), many state Medicaid programs have begun adopting various forms of VBPs.

Objective

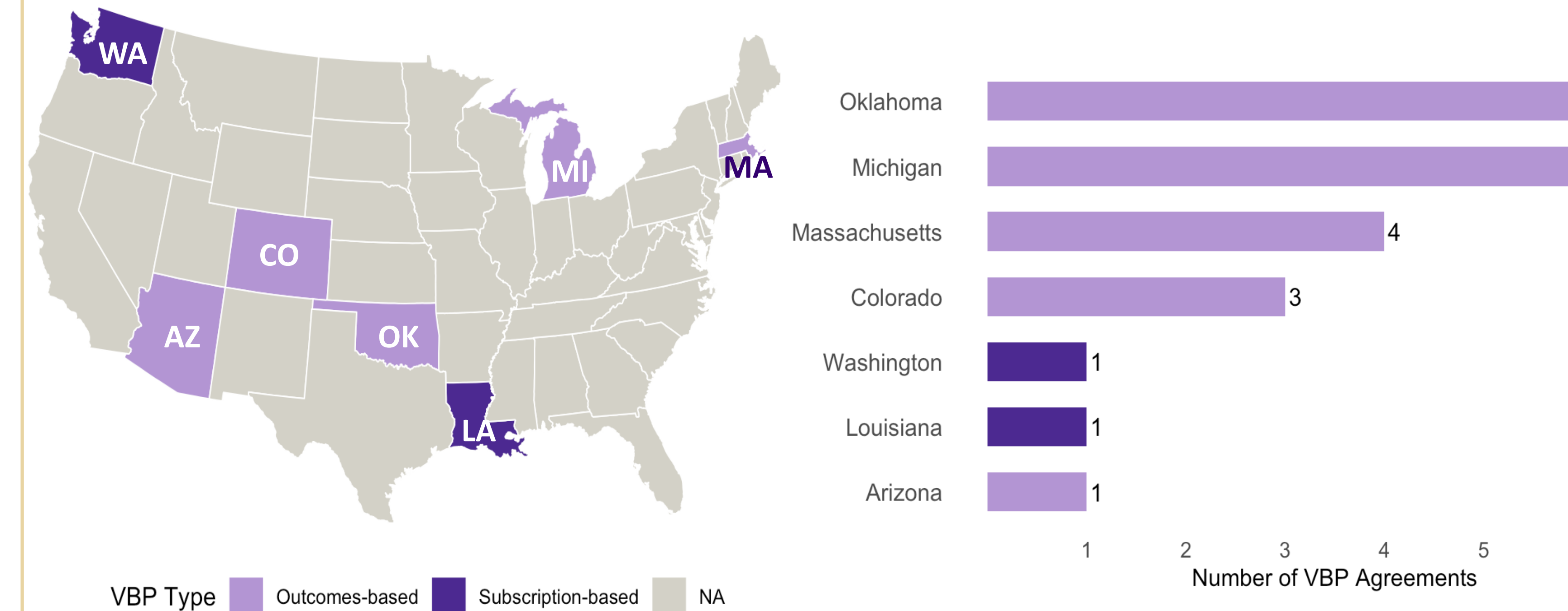
To identify and summarize the VBP arrangements adopted within the US Medicaid program.

Methods

- A targeted literature review was conducted using PubMed, Google, state Medicaid websites and manufacturer websites.
- The review included all VBPs implemented prior to November 2025. Search terms combined “Medicaid” with keywords such as “innovative contract,” “outcomes-based,” “value-based” and “subscription-based”.
- To characterize VBP arrangements, the following information was extracted: year of implementation, state, product name, active ingredient, product type, drug category, manufacturer, disease area, type of VBP arrangements and outcome measured if available.

Results

- Two primary types of VBPs are currently used in Medicaid: subscription-based purchasing and outcomes-based agreements.
- In 2019, **Louisiana and Washington** partnered with manufacturers on **subscription-based contracts** to cap statewide spending on **hepatitis C medications** at a predetermined amount.
- Since 2018, 5 states have implemented outcomes-based agreements, including **Oklahoma (6), Michigan (6), Massachusetts (4), Colorado (3) and Arizona (1)**.



Note: AZ, Arizona; CO, Colorado; LA, Louisiana; MA, Massachusetts; MI, Michigan; OK, Oklahoma; WA, Washington.

Figure 1: Medicaid VBP Agreement Types by State

Table 1: Subscription-Based Medicaid VBP Agreements

Year	State	Product	Category	Disease Area	Manufacturer
2019 ¹	LA	Sofosbuvir/velpatasvir	Small-molecule	Hepatitis C	Asegua (Gilead)
2019 ²	WA	Glecaprevir/pibrentasvir	Small-molecule	Hepatitis C	AbbVie

Note: LA, Louisiana; WA, Washington.

Table 2: Outcomes-Based Medicaid VBP Agreements

Year	State	Product	Category	Disease Area	Manufacturer
2018 ³	OK	Oritavancin	Small-molecule	Skin infections	Melinta
2018 ⁴	OK	Aripiprazole lauroxil	Small-molecule	Schizophrenia	Alkermes
2018 ⁵	OK	Paliperidone palmitate	Small-molecule	Schizophrenia	Janssen
2018 ⁶	OK	Perampanel	Small-molecule	Epilepsy	Eisai
2018 ^{9,10}	MA	Tisagenlecleucel	Cell therapy	Hematologic malignancies	Novartis
2020 ⁷	OK	Onasemnogene abeparvovec-xioi	Gene therapy	SMA	AveXis (Novartis)
2020 ¹¹	MA	Onasemnogene abeparvovec-xioi	Gene therapy	SMA	AveXis (Novartis)
2020 ¹³	MI	Onasemnogene abeparvovec-xioi	Gene therapy	SMA	AveXis (Novartis)
2021 ⁸	MA	reSET, reSET-O	Digital therapeutics	Substance use disorders	Pear
2021 ¹³	MI	Glecaprevir/pibrentasvir	Small-molecule	Hepatitis C	AbbVie

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Year	State	Product	Category	Disease Area	Manufacturer
2022 ⁸	OK	reSET, reSET-O	Digital therapeutics	Substance use disorders	Pear
2022 ¹⁵	CO	Onasemnogene abeparvovec-xioi	Gene therapy	SMA	AveXis (Novartis)
2022 ¹⁶	CO	Sacubitril/valsartan	Small-molecule	Heart failure	Novartis
2023 ¹²	MA	Betibeglogene autotemcel	Gene therapy	TDT	BlueBird Bio
2023 ¹³	MI	Betibeglogene autotemcel	Gene therapy	TDT	BlueBird Bio
2023 ^{18,19}	AZ	Onasemnogene abeparvovec-xioi	Gene therapy	SMA	AveXis (Novartis)
2024 ¹⁴	MI	Lovotibeglogene autotemcel	Gene therapy	SCD	BlueBird Bio
2024 ¹⁴	MI	Exagamglogene autotemcel	Gene therapy	SCD and TDT	Vertex
2024 ¹⁷	CO	Dupilumab	Biologic	Type 2 inflammation	Sanofi
2025 ¹⁴	MI	Delandistrogene moxeparvovec-rokl	Gene therapy	DMD	Sarepta

Note: AZ, Arizona; CO, Colorado; MA, Massachusetts; MI, Michigan; OK, Oklahoma; SMA, spinal muscular atrophy; TDT, transfusion-dependent beta-thalassemia; SCD, sickle cell disease; DMD, Duchenne muscular dystrophy.

- Among these agreements, **gene therapies** account for the largest proportion (50%), led by onasemnogene abeparvovec-xioi (Novartis) entering outcomes-based contracts with 5 states.

Conclusions

- States’ Medicaid programs have increasingly explored outcome-based agreements, with steady increase over recent years.
- No new subscription-based purchasing arrangements have been implemented since 2019, suggesting less enthusiasm for this type of VBP.
- Gene therapies are the most frequently included products in outcome-based agreements.

References

Scan the QR code for full reference list.

