

Trump Says All States Locked In For GENEROUS Model, Advocates Raise Questions

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(Inside Health Policy)

President Donald Trump announced Friday (Sept. 18) that all 50 states, Washington D.C. and Puerto Rico have applied to take part in a model to test the use of the administration's "most favored nation" pricing framework to bring down the costs of certain Medicaid drugs. According to the White House, states and the federal government are expected to save roughly \$64 billion collectively over 10 years because of the model, but some drug price reform advocates remain unconvinced the model will be enough to solve drug pricing concerns in Medicaid or that it will work at all.

"Your medical costs are going to be coming down . . . perhaps you can think of me as you watch the prices come down to the floor," Trump said at the Friday press briefing, applauding the latest step in the process of launching the GENERating cost Reductions fOr U.S. Medicaid (GENEROUS) Model.

The deadline for states to apply for the GENEROUS model was Sept. 10, and they have until Sept. 30 to finalize their decision to participate. Through the model, participating drug companies will provide state Medicaid agencies with supplemental rebates for certain drugs to align their net prices paid in Medicaid with the lowest prices in other wealthy nations.

According to the White House Council of Economic Advisers, the GENEROUS model is expected to save an estimated \$27.6 billion for state governments and \$36.6 billion for the federal government over a decade.

"Our state partners have shared with us that they expect this to help them expand access to drugs and preserve access to needed medications," CMS Deputy Administrator Abe Sutton said Friday. "That's something that benefits the most vulnerable members of our society: the mother with a child who needs access to a treatment, the person with a disability who depends on Medicaid, and the taxpayer asking whether their government truly values every hard-earned dollar that they pay in taxes."

Sources say that given the interest of state Medicaid agencies in lowering drug costs, the GENEROUS model has been appealing because there is flexibility for states, which are able to determine which

outpatient drugs they want to obtain through the model, and the length of their agreements with drug companies. If they participate, states will also be able to access detailed information from their supplemental rebate agreements that is currently confidential.

Former Republican congressman JD Hayworth (AZ), spokesperson for the Pharmaceutical Reform Alliance, said Friday's announcement reflects meaningful progress but is an incomplete solution. He said Republicans looking to use the issue in midterm messaging should consider polling showing most voters want MFN deals to be codified so they are enforceable and last beyond the current administration. The deals are currently set to expire at the end of Trump's term, and members of Congress say they're unable to access the details.

"Once again, the savings being delivered are limited to a narrow set of drugs and those individuals on government programs, leaving millions of Americans without the widespread relief they need," Hayworth said in a statement.

Trump, meanwhile, said the participation of all 50 states in the GENEROUS model, which has yet to be finalized, should be enough on its own to warrant Republicans winning their gubernatorial races.

Public Citizen said it is hesitant to support the administration's announcement following reports that White House officials have admitted that the drug companies that made MFN agreements with the administration are able to charge "whatever price they want for their medicines" in the United States, which signals to the advocacy group that the individual MFN drug pricing deals and other MFN-related efforts taken in the last year are a charade.

"Big Pharma expects little to no financial impact from these short-term Medicaid deals. Instead, pharma companies and Trump appear to have worked together to offer minor concessions to avoid taking more meaningful action to lower prices. What's more, the Trump administration continues to obscure key details about its Medicaid deals, including the number of drugs subject to price concessions and the true level of price reductions, which will only be in place through the end of his term," Public Citizen Access to Medicines Director Peter Maybarduk said Friday.

Maybarduk added, "Trump should take a bow. If this were a game of charades, that would correctly signal what these deals actually are: theater."

Another consumer group, Patients for Affordable Drugs, said in a statement it has several questions about missing details from the administration's announcement, including:

Which drug companies are actually participating in the GENEROUS model versus having signed a broader MFN agreement with the administration? Which drugs are covered by the model? What will be MFN benchmark prices and resulting Medicaid prices for the covered drugs? What assumptions and underlying data led to the more than \$64 billion savings estimate? How much of that estimate represents additional savings relative to the rebates Medicaid already receives through its rebate program? What does participation by all 50 states mean if there is no publicly available information on manufacturer participation, covered drugs, and pricing terms for the model?

Trump also announced a recommendation for vaccines to be administered across multiple “20% shots” to reduce how many vaccines children must receive at once, with the aim being to mitigate adverse reactions and lower the rate of autism diagnoses.

"We're also going to be demanding the drug companies, with respect to a certain situation -- the autism -- that they make their doses in 20% shots. So, you have shot one, shot two, shot three, shot four, shot five ... I think you're going to see a massive reduction in autism," Trump said. -- *Gabrielle*

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