

State Participation in CMMI models

Recommendation

To address the drivers of the identified circumstances leading to an affordability challenge for Ozempic, it is recommended that Maryland Medicaid pursue participation in two new [CMMI models](#). These models leverage Most-Favored-Nation (MFN) pricing to lower state expenditures on GLP-1s and other Covered Outpatient Drugs (CODs).

1. [BALANCE model](#)
 - This model allows Maryland to bulk-purchase GLP-1 medications at MFN pricing for Medicaid and Medicare populations. By combining drug access with lifestyle interventions, the state can mitigate the long-term costs of diabetes and cardiovascular disease.
2. [GENEROUS model](#)
 - Manufacturers voluntarily provide supplemental rebates that achieve Guaranteed Net Unit Price (GNUP) reflecting the MFN price for Covered Outpatient Drugs (CODs), while participating states apply standardized and transparent coverage criteria for modeled drugs.
 - **The Rebate Mechanism:** The Unit Rebate Amount (URA) is calculated using the existing [Medicaid Drug Rebate Program](#), including the basic rebate and any inflation-based rebates. The state receives supplemental rebates directly from manufacturers, calculated as follows:

$$\text{Supplemental Rebate} = \text{WAC} - (\text{GNUP plus URA})$$

- The state invoices the manufacturer for the supplemental rebate, receives the payment directly, and returns the federal government's share when CMS reduces the amount of federal funding (FMAP) for future Medicaid expenditures.

Implementation Process

- The Board will submit a formal recommendation to the Maryland Medicaid team. Subsequently, Maryland Medicaid will serve as the lead agency in contacting CMS to formalize participation, ensuring all submissions align with the CMS-mandated deadlines.