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Things to Know About

CMS' New GENEROUS Model

- 1** **GENEROUS will bring Most-Favored-Nation (MFN) drug pricing to Medicaid.** The voluntary model will allow State Medicaid Agencies to receive supplemental rebates on certain drugs from participating manufacturers to reach an MFN price based on net prices in other nations.
- 2** **MFN prices will be the second-lowest country-specific manufacturer-reported net price,** adjusted by GDP per capita using a purchasing power parity method, according to CMS. The basket of countries is limited to the UK, France, Germany, Italy, Canada, Japan, Denmark, and Switzerland.
- 3** **340B prices will not be impacted.** The supplemental rebates offered under GENEROUS will not affect the calculation of Medicaid Best Price under the Medicaid Drug Rebate Program, and therefore will not affect 340B ceiling prices.
- 4** **The voluntary model will run for five years, and participants include both states and manufacturers.** The model will include manufacturers' covered outpatient drugs. CMS acknowledges drugmakers with existing MFN agreements will participate in the model. Manufacturer applications are due March 31, 2026, and states must submit an application (the state Request for Applications is forthcoming) and sign a participation agreement by August 31, 2026.
- 5** **States must implement standardized coverage criteria** for drugs included in the model as a condition of participation, negotiated between manufacturers and CMS. This criteria may include utilization management criteria.