

- IRA Research Series -

Medicare Drug Price Negotiation Program: Medicare Prices Negotiated for 2026 Compared to List and U.S. Market Prices

Beginning in January 2026, the first 10 negotiated prices are slated to go into effect in Medicare Part D. Nine of the 10 drugs selected for the first year of negotiation had list price increases of 20 to 55 percent between 2018 and 2023, while the list price for one drug declined by 1 percent. Comparing Medicare’s negotiated prices to list prices shows that negotiations resulted in discounts that range from a low of 38 percent to a high of 79 percent.

KEY POINTS

- In the United States, high prescription drug prices create affordability challenges for patients, health care payers, and taxpayers. Price increases for existing drugs have added to these challenges.
- The ten drugs selected for negotiation treat conditions such as cardiovascular disease, diabetes, and cancer that affect millions of Medicare enrollees.
- In 2023, about 9 million Medicare enrollees used these 10 drugs. These selected drugs accounted for \$56.2 billion in total Part D gross covered prescription drug costs, or about 20% of total Part D gross covered prescription drug costs during 2023.¹
- Nine of the 10 drugs selected for the first cycle of negotiation had list price increases between 2018 and 2023; the list price increases ranged from a low of 20% for Farxiga to a high of 55% Enbrel. One drug, NovoLog/Fiasp*, saw a small list price decline over this time period.
- Comparing Medicare’s negotiated prices, which the statute refers to as Maximum Fair Prices, to list prices shows that negotiations resulted in discounts that range from a low of 38 percent to a high of 79 percent.

INTRODUCTION

The Inflation Reduction Act (IRA) makes improvements to Medicare to increase accessibility and affordability of prescription drugs for Medicare enrollees, reduce the rate of growth in Medicare drug spending, and improve the financial sustainability of the Medicare program. Over 67.3 million Americans are enrolled in the Medicare program, of whom about 54.1 million are enrolled in the Part D prescription drug program.² Under the IRA, the Secretary of the U.S. Department of Health and Human Services (HHS) has the authority to directly

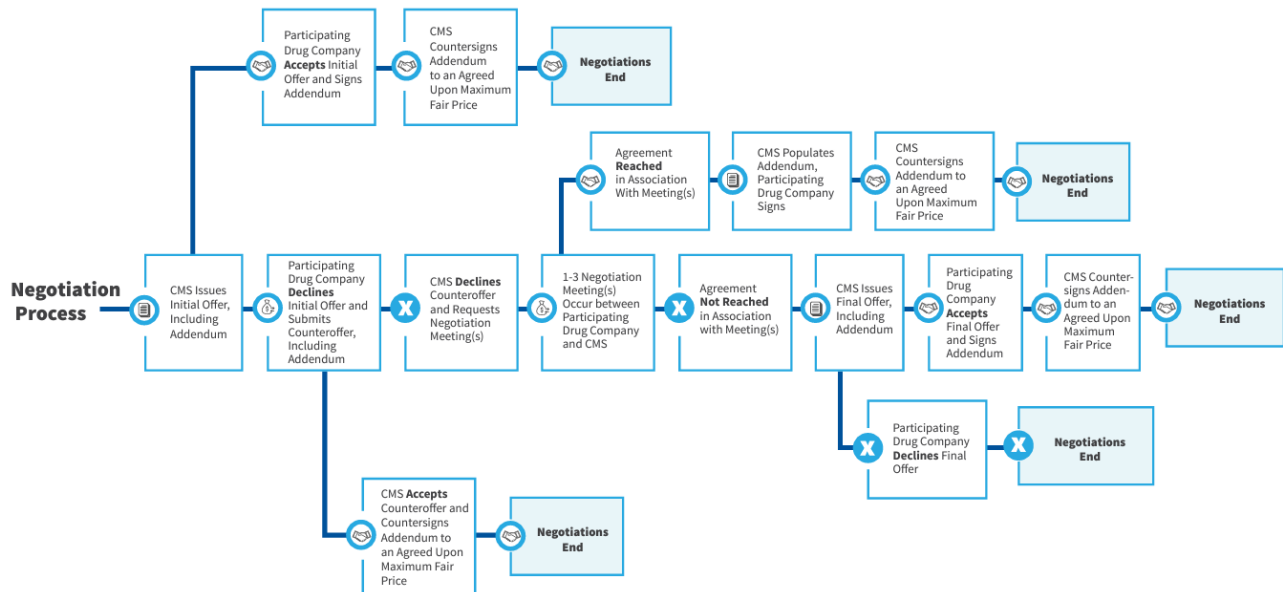
* In this brief, NovoLog/Fiasp refers to Fiasp, Fiasp FlexTouch, Fiasp PenFill, NovoLog, NovoLog FlexPen, and NovoLog PenFill

negotiate the prices of certain high expenditure, single source drugs without generic or biosimilar competition with participating drug manufacturers.³ The IRA requires that drugs selected for negotiation have high total Medicare gross covered prescription drug costs and meet other criteria defined in the law, as outlined in program guidance issued by the Centers for Medicare & Medicaid Services (CMS).[†] On August 29, 2023, CMS published the list of 10 drugs covered under Medicare Part D selected for the first cycle of negotiation. The selected drugs are Eliquis, Jardiance, Xarelto, Januvia, Farxiga, Entresto, Enbrel, Imbruvica, Stelara, and NovoLog/Fiasp. CMS has released the negotiated prices, also known in the statute as the Maximum Fair Prices (MFP)[‡] that were agreed to with the primary manufacturers for these drugs. These prices are slated to go into effect starting in January 2026.

CMS Negotiation Process

Figure 1 presents a visual depiction of the negotiation process. For a more detailed description, please see CMS' [revised guidance](#).[§]

Figure 1: Negotiation Process Flow Chart



Source: Figure 3, section 60.4 of CMS' revised guidance

Note: Addendum referenced in the figure is an Addendum to the Medicare Drug Price Negotiation Program Agreement, not an addendum to an agreed-upon MFP.

The negotiated prices agreed to between CMS and manufacturers through this process must not exceed an upper limit, also known as a “ceiling,” established by the IRA. The ceiling for a given drug is the lesser of (1) the drug’s sum of the plan-specific enrollment weighted amounts (net of all price concessions, including rebates), or (2) a percentage of a drug’s average non-federal average manufacturer price (non-FAMP) (i.e., the average price wholesalers pay manufacturers for drugs distributed to non-federal purchasers).

For the first cycle of negotiations involving drugs covered under Part D, the agreed to negotiated prices will apply to an individual who is enrolled in a prescription drug plan under Medicare Part D or a Medicare

[†] [CMS Medicare Drug Price Negotiation Draft Guidance](#)

[‡] [Fact Sheet: Negotiated Prices for Initial Price Applicability Year 2026](#)

[§] [CMS Medicare Drug Price Negotiation Draft Guidance](#)

Advantage prescription drug plan under Medicare Part C (including an Employer Group Waiver Plan).⁴ Medicare Part D plans will not pay more than the MFP plus a dispensing fee for the selected drug at the pharmacy counter or when purchasing from another dispensing entity.⁵

The purpose of this brief is to examine prices and spending over time associated with the 10 drugs selected for the first cycle of Medicare drug price negotiations. Specifically, we report aggregate Medicare spending on these drugs in 2023 and examine how the prices negotiated on behalf of people with Medicare compare to historical list prices and average transaction prices across all payers in the U.S. market.

Authorization for the Secretary to negotiate for certain selected high expenditure, single source drugs is one of several changes enacted by the IRA that aims to make prescription drugs more affordable for Medicare enrollees. Other IRA provisions that improve the affordability of drugs for Medicare enrollees include:

- applying a \$35 out-of-pocket cap for a month's supply of each covered insulin product (effective January 2023 for insulin covered under Part D and July 2023 for insulin covered under Part B)**,
- requiring drug manufacturers to pay rebates to Medicare if they implement price increases for prescription drugs utilized by Medicare beneficiaries that exceed the rate of inflation (effective October 2022 for drugs covered under Part D and January 2023 for drugs covered under Part B)^{††,‡‡},
- eliminating cost-sharing for certain recommended adult vaccines covered by Part D (effective January 2023)^{§§,***},
- expanding financial assistance in Medicare's Low-Income Subsidy (LIS) Program, also known as Extra Help (effective January 2024),
- elimination of five percent coinsurance in the catastrophic coverage phase (effective January 2024)^{***},
- for 2025, instituting a \$2,000 cap on out-of-pocket costs for all prescription drugs covered under Part D (after 2025, the statute sets forth requirements for an annual percentage increase)^{†††}.

These provisions, along with the Medicare Drug Price Negotiation Program, will help to make prescription drugs more affordable for Medicare enrollees and taxpayers.^{†††}

DATA AND METHODS

In this brief, we compare the negotiated prices to two other pricing and spending measures for a 30 Day Equivalent Supply (DES): the Wholesale Acquisition Cost (WAC) or "list price," and the average transaction price across the entire U.S. market. For each of these measures, we examine data over a 6-year period from 2018-2023 and compare it to the negotiated prices per 30 DES that is slated to go into effect in 2026. We also report the list price at the time of market entry, which is when the drug first came onto the market in the U.S. for purchase by consumers.

The drug pricing and spending measures included in our analysis provide valuable, but distinct, insights into drug pricing. The WAC represents the baseline list price set by the manufacturer, before any discounts or rebates. The average transaction price reflects data from transaction prices across the U.S. market and

** [ASPE Data Point – Insulin Affordability and the Inflation Reduction Act: Medicare Beneficiary Savings by State and Demographics.](#)

†† [ASPE Fact Sheet - Inflation Reduction Act Research Series: Medicare Part B Inflation Rebates in 2023](#)

‡‡ [Fact Sheet: Medicare Prescription Drug Inflation Rebate Program Proposed Rule](#)

§§ [ASPE Data Point – Inflation Reduction Act Research Series: Medicare Part D Enrollee Vaccine Use After Elimination of Cost Sharing for Recommended Vaccines in 2023](#)

*** [ASPE Issue Brief – Inflation Reduction Act Research Series: Medicare Part D Enrollee Savings from Elimination of Vaccine Cost-Sharing](#)

††† [ASPE Issue Brief – Inflation Reduction Act Research Series: Medicare Part D Enrollee Out-Of-Pocket Spending: Recent Trends and Projected Impacts of the Inflation Reduction Act](#)

††† For a full set of IRA drug-related Medicare provisions and an overview of the estimated impacts of the IRA, please see [here](#) and [here](#).

includes point of sale rebate discounts. The data sources and details of these measures are described further below.

All prices and spending reported in this brief are volume-weighted based on the total volume of each product in Medicare Prescription Drug Event (PDE) data for calendar year 2022. This data represents fills made by Part D enrollees, which Part D plan sponsors then submit to CMS. Because for a given drug, additional formulations (such as different dosages) may be released while others are removed from the market, this analysis is based on the formulations of a drug that were sold in 2022.

As with volume, total Medicare spending in 2023 (as measured by gross drug cost) is obtained from the calendar year 2022 PDE data.

Wholesale Acquisition Cost or “List Price”

Manufacturers report their list prices for drugs at the 11-digit National Drug Code (NDC-11) level to independent databases known as pricing compendia. For context, an NDC identifies a drug’s labeler code (in this brief, we define a product at the full eleven-digit NDC level unless otherwise noted), product code (which identifies the drug’s strength, dosage form, and formulation), and package code (which identifies package size and type); thus, any given drug may have a single NDC or many NDCs, for example, if the drug has multiple formulations or package sizes. The pricing compendia vendors aggregate this information for purchasers such as wholesalers, pharmacies, and hospitals. The databases are available for purchase under subscription licenses allowing for daily updates.

Our primary data source for list prices is AnalySource, a pricing compendia database that reports list prices for drugs at the NDC-11 level with sufficient data fields available to aggregate prices in accordance with the Medicare Drug Price Negotiation Program.⁵⁵⁵ The drug pricing and product data underlying AnalySource is from First Databank’s MedKnowledge data resource. AnalySource data provide daily updates on market entry price and list price changes for millions of products (including drugs covered under Medicare Part B and Part D) and includes information on product type, marketing status, drug class, and drug indication. For this analysis, we used the list price as the price for a given NDC at the unit level. List price, as published by First Databank and available through AnalySource, represents the labeler’s published catalog or list price for a drug product to wholesalers as reported to First Databank by the labeler. **List price does not represent actual transaction prices and does not include discounts, rebates, or other reductions in price, which are considered confidential and proprietary.** List price holds significance as a measure of drug cost because it represents the price set by the manufacturer and influences prices throughout the reimbursement system, including prices paid by Medicare beneficiaries with coinsurance.

In general, the retail price of a drug at the pharmacy counter is in part determined by negotiations between pharmacies and insurers (or their pharmacy benefit managers (PBMs)) and reflects both wholesale and retail markups. Those markups compensate the wholesaler and pharmacy, respectively, for the services they provide and for their inventory costs. Analysis by the Congressional Budget Office suggests the retail price of a given drug is generally similar for most payers (public and private insurers and cash-pay patients).⁶ Consumers with health coverage who have not yet satisfied their plan’s annual deductible typically pay the full retail price. They might pay a lower price if the manufacturer has a discount program for that drug, such as a coupon or rebate program. As specified by their plan’s copayment or coinsurance schedule, consumers who have met their deductible pay only a portion of the retail price (or nothing, if they have met their plan’s annual out-of-pocket

⁵⁵⁵ Labeler name is a unique identifier for the product labeler, which could be the manufacturer, distributor, or repackager of a product.

limit). The remainder is paid by their plan or its PBM.^{****} Consumers without insurance may pay a pharmacy’s “usual and customary” price — which tends to be higher than the net price paid by other payers — or may pay a lower amount using a manufacturer discount program.

U.S. Market Spending or “Average Transaction Price”

Our analysis additionally uses data from IQVIA National Sales Perspective (IQVIA NSP) in order to provide estimates of pricing and revenue expenditures for the aggregate pharmacy retail sector^{††††} in the United States market as a comparator for each of the 10 selected drugs. IQVIA NSP measures the United States’ pharmaceutical drug supply via revenue and volume sales purchased across all channels of the pharmaceutical marketplace. It directly captures approximately 90 percent of the total pharmaceutical market sales and further utilizes a proprietary projection methodology stratified by geography and outlet characteristics to provide comprehensive estimates that reflect the total estimated sales within the United States. The underlying data for IQVIA NSP is sourced from actual transaction price levels (rather than wholesale acquisition cost) stemming from nearly 400 indirect suppliers and direct sales from approximately 100 manufacturers. ***The IQVIA dataset reports gross drug spending, meaning it does not include all rebates. This measure does not include dispensing fees or rebates applied outside of the point of sale.***

While IQVIA NSP covers all channels of the pharmaceutical system, in order to make it more directly comparable to the Medicare Part D data, which is comprised of retail, mail and long-term care derived prescriptions, we restrict the IQVIA NSP data to these equivalent channels. We note that this makes for a more rigorous comparison as the economics of the pharmaceutical sector may vary across channel types, especially between the outpatient settings and in-patient settings. While the data do not include payer information, the data include drugs that are purchased by Americans of all ages and covered by commercial insurance and public insurance programs, including Medicare, as well as self-pay. Additionally, while total volume and spending is projected to be nationally representative for the retail and long-term care channels, the mail channel is not projected from the approximately 90 percent of sales directly captured in the data, and as such underestimates total mail sales.

As with the underlying list price data previously discussed, the IQVIA NSP data come at the NDC-11 level, and there can be multiple NDC-11 codes for each NDC-9 code. Hence, in our analysis we first calculate average prices per unit at the NDC-11 level, and then aggregate to the NDC-9 level based on the share of volume that each NDC-11 represents within that NDC-9. Since IQVIA NSP does not contain information on 30 day equivalents, we transform our data to be comparable to the Medicare PDE data by using the ratio of underlying volume per each 30 day equivalent supplied in the Medicare PDE data—which exists at the NDC-9 level. This allows us to calculate an average price per 30 day equivalent supply at the NDC-9 level—as well as to calculate the share of 30 day equivalents supply of each NDC-9 relative to the selected drug aggregate. Our final step is to use this NDC-9 level average price per 30 day equivalent with the 30 day supply equivalent volume share to calculate a weighted average selected drug price.

FINDINGS

^{****} A copayment is a specified dollar amount that an enrollee pays at the time a drug is purchased. Coinsurance is cost sharing paid at the point of purchase that is based on a set percentage of the drug’s cost.

^{††††} In this brief, pharmacy retail refers to retail pharmacies, mail-order pharmacies, and long-term care facilities.

The ten drugs selected for negotiation treat conditions such as cardiovascular disease, diabetes, and cancer. As shown in Table 1, the selected drugs all entered the market between 2001 and 2015. Most drugs were first launched as an oral tablet with the exceptions of Enbrel, Stelara and NovoLog/Fiasp. Market Entry Date, as shown in Table 1, is sourced from the FDA Comprehensive NDC SPL Data Elements File. This is the date manufacturers report to FDA as when they began marketing a particular product.^{****} This date may differ from the FDA application approval date (not included on this table) and the date of the first list price reported by AnalySource in the right most column of Table 1.

Table 1. Drugs Selected for Negotiation: Market Entry Information

Drug Name	Participating Manufacturer	Commonly Treated Conditions	Market Entry Date	Formulation at Market Entry	List Price (WAC) at Market Entry (Year Reported)**
Eliquis	Bristol Myers Squibb	Prevention and treatment of blood clots	12/28/2012	2.5 MG TABLET 5 MG TABLET	\$236.47 (2013)
Jardiance	Boehringer Ingelheim	Diabetes; Heart failure; Chronic kidney disease	08/01/2014	10 MG TABLET 25 MG TABLET	\$290.81 (2014)
Xarelto	Janssen Pharms	Prevention and treatment of blood clots; Reduction of risk for patients with coronary or peripheral artery disease	07/01/2011	10 MG TABLET	\$208.02 (2011)
Januvia	Merck Sharp Dohme	Diabetes	10/16/2006	25 MG TABLET 50 MG TABLET 100 MG TABLET	\$140.53 (2006)
Farxiga	AstraZeneca AB	Diabetes; Heart failure; Chronic kidney disease	01/08/2014	5 MG TABLET 10 MG TABLET	\$284.28 (2014)*
Entresto	Novartis Pharms Corp	Heart failure	07/07/2015	24 MG-26 MG TABLET 49 MG-51 MG TABLET 97 MG-103 MG TABLET	\$352.81 (2015)
Enbrel	Immunex Corporation	Rheumatoid arthritis; Psoriasis; Psoriatic arthritis;	01/02/2003	25 MG KIT	\$677.84 (1998)

^{****} [Comprehensive NDC SPL Data Elements \(NSDE\) Label Resources](#)

Drug Name	Participating Manufacturer	Commonly Treated Conditions	Market Entry Date	Formulation at Market Entry	List Price (WAC) at Market Entry (Year Reported)**
		Ankylosing spondylitis			
Imbruvica	Pharmacyclics LLC	Blood cancers	11/13/2013	140 MG CAPSULE	\$5,635.98 (2013)
Stelara	Janssen Biotech, Inc.	Psoriasis; Psoriatic arthritis; Crohn's disease; Ulcerative colitis	09/25/2009	45 MG/0.5 ML SYRINGE	\$3,636.69 (2009)
Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill	Novo Nordisk Inc	Diabetes	08/27/2001	100 UNIT/ML VIAL	\$74.03 (2001)

Notes: *For Farxiga's initial formulations (introduced in 2014), we used 2022 volume data from equivalent formulations (5 and 10mg tablets) to calculate the volume weighted price per 30 DES, as the NDCs for the original formulations were obsolete in 2022.

** The year of the first reported list price, as first reported by First DataBank and accessed through AnalySource, may differ from the Marketing Start Date, reported to FDA by manufacturers.

Market Entry Date is sourced from FDA Comprehensive NDC SPL Data Elements File. This is the date manufacturers report to FDA as when they began marketing a particular product. This date may differ from the FDA application approval date and the date of the first list price reported by AnalySource.

In 2023, Medicare spent between \$2.6 billion and \$18.3 billion for each of these drugs; Medicare spending makes up a large proportion of the total U.S. market for each of the 10 drugs (Table 2).

Note that the U.S. market spending total in Table 2 includes approximately 90 percent coverage of the mail order channel but is not projected to be representative of the full US market, while the retail and long-term care channels are projected to be representative of the full US market, meaning that the US market totals are underestimates of the full spending amount. The Medicare Part D spending includes mail order pharmacies in their entirety. Because of this limitation, the columns in this table are not directly comparable to one another—one includes full coverage of the mail order channel (Medicare Part D) while the other (U.S. Market) holds an estimated 90 percent coverage of the mail order channel. This is especially important for understanding spending on Imbruvica, which has a disproportionately high share of prescriptions filled through mail order pharmacies.

Table 2. Spending for Drugs Selected for Negotiation: Medicare and U.S. Market, 2023

Drug Name	Total Part D Gross Covered Prescription Drug Costs, CY 2023	2023 U.S. Market Total Spending*
Eliquis	\$18,275,108,000	\$21,472,950,000
Jardiance	\$8,840,947,000	\$15,447,510,000
Xarelto	\$6,309,766,000	\$8,040,663,000
Januvia	\$4,091,399,000	\$5,583,631,000
Farxiga	\$4,342,594,000	\$7,713,614,000
Entresto	\$3,430,753,000	\$4,766,414,000
Enbrel	\$2,951,778,000	\$9,137,318,000
Imbruvica	\$2,371,858,000	\$2,049,221,000**
Stelara	\$2,988,560,000	\$13,905,570,000
Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill	\$2,612,719,000	\$5,442,654,000

Notes: *US Market: reflects data from transaction prices in the retail, mail order, and long-term care pharmacy channels and includes point of sale rebate discounts. This measure does not include dispensing fees or rebates applied outside of the point of sale. While total volume and spending is projected to be nationally representative for the retail and long-term care channels, the mail channel is not projected from the approximately 90 percent of sales directly captured in the data, and as such underestimates total mail sales.

**Imbruvica prescriptions are disproportionately dispensed through mail order pharmacies. These prescriptions are not projected out from the approximately 90 percent of sales directly captured in the data, and as such our estimate of 2023 U.S. market total spending for Imbruvica is smaller.

Values in this table are rounded to the nearest thousand.

As shown in Table 3, nearly all 10 drugs selected for negotiation have had substantial increases in list price since 2018. Nine of these drugs had list price increases ranging of 20 percent to 55 percent from 2018 to 2023. NovoLog/Fiasp is the only drug that had a slight price decline (1 percent) over the same period. All but two of the selected drugs (NovoLog/Fiasp and Farxiga), had growth in list prices that were larger than overall growth in consumer prices over the same period (22 percent) or specific components of consumer prices such as housing (26 percent growth) and overall medical care (nearly 16 percent).^{§§§§}

- Eliquis, which had the highest Medicare Part D total gross covered drug costs in 2023 among the 10 drugs selected for negotiation, had a 34 percent increase in list price between 2018 and 2023.
- The greatest increase in list price was for Enbrel, which had a 55 percent increase in list price from 2018 to 2023. This increase in list price is more than twice that of overall consumer prices over the period (55 percent compared to 22 percent).

^{§§§§} ASPE analysis of the chained consumer price index published by the Bureau of Labor Statistics. See <https://www.bls.gov/cpi/additional-resources/chained-cpi.htm>.

The negotiated prices, which are slated to go into effect in 2026, represent significant discounts from 2023 list prices. The difference between the negotiated prices and the 2023 list prices range from a 79 percent discount for Januvia to a 38 percent discount for Imbruvica.

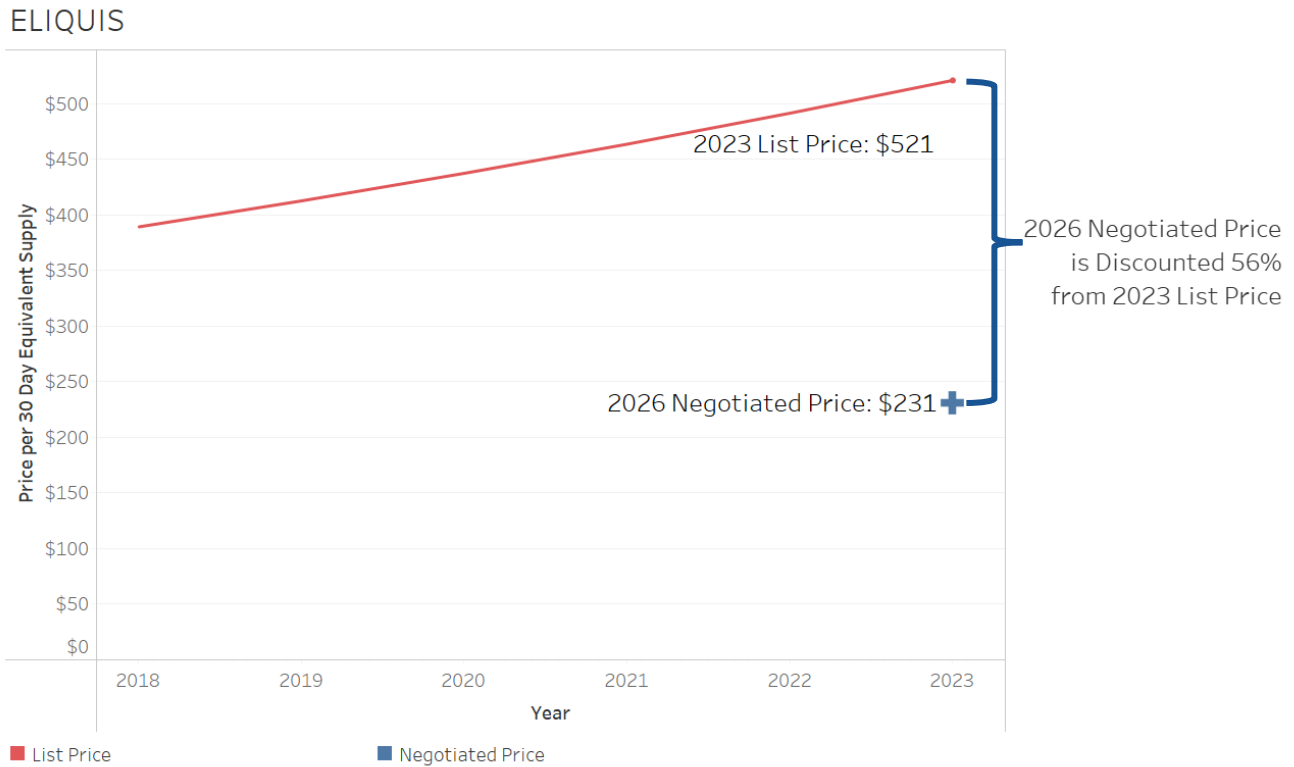
Table 3. Drugs Selected for Negotiation: Comparison of List Price and MFP for 30 day Equivalent Supply

Drug Name	2018 List Price	2023 List Price	List Price Change (2018-2023)	Agreed to Negotiated Price for 30 day Supply, 2026	Percent Discount of Agreed to Negotiated Price from 2023 List Price
Eliquis	\$389	\$521	34%	\$231	56%
Jardiance	\$449	\$573	28%	\$197	66%
Xarelto	\$400	\$517	29%	\$197	62%
Januvia	\$414	\$527	27%	\$113	79%
Farxiga	\$464	\$556	20%	\$178.50	68%
Entresto	\$436	\$628	44%	\$295	53%
Enbrel	\$4,575	\$7,106	55%	\$2,355	67%
Imbruvica	\$10,688	\$14,934	40%	\$9,319	38%
Stelara	\$10,760	\$13,836	29%	\$4,695	66%
Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill	\$502	\$495	-1%	\$119	76%

Figures 2 through 11 depict the weighted average list price for a 30 day equivalent supply for years 2018 to 2023. The negotiated price is also shown for reference but was not in effect during this time period and will apply to Medicare transactions beginning in 2026. Across all but one of the drugs selected for negotiation, list price increased every year. Imbruvica had the highest dollar increase in list price and retail price per 30 day equivalent supply from 2018 to 2023 with increases of \$4,261 and \$2,595 respectively.

Table A1 in the appendix also shows list prices compared to the average transaction price between 2018 and 2023 for the ten drugs. The trends in average transaction prices closely follow list prices; all but one (NovoLog/Fiasp) of the ten products included in our analysis *increased* in price per 30 day equivalent supply during the time period, and eight of the products saw increases every year. From 2019 to 2020, the transaction price of Imbruvica *decreased* by \$617, although the price of this product increased in all other years during the time period. Compared to list prices for a 30 day equivalent supply, the average transaction price as a whole is slightly lower.

Figure 2. Eliquis List Price Trend (2018-2023) vs. Negotiated Price (2026)



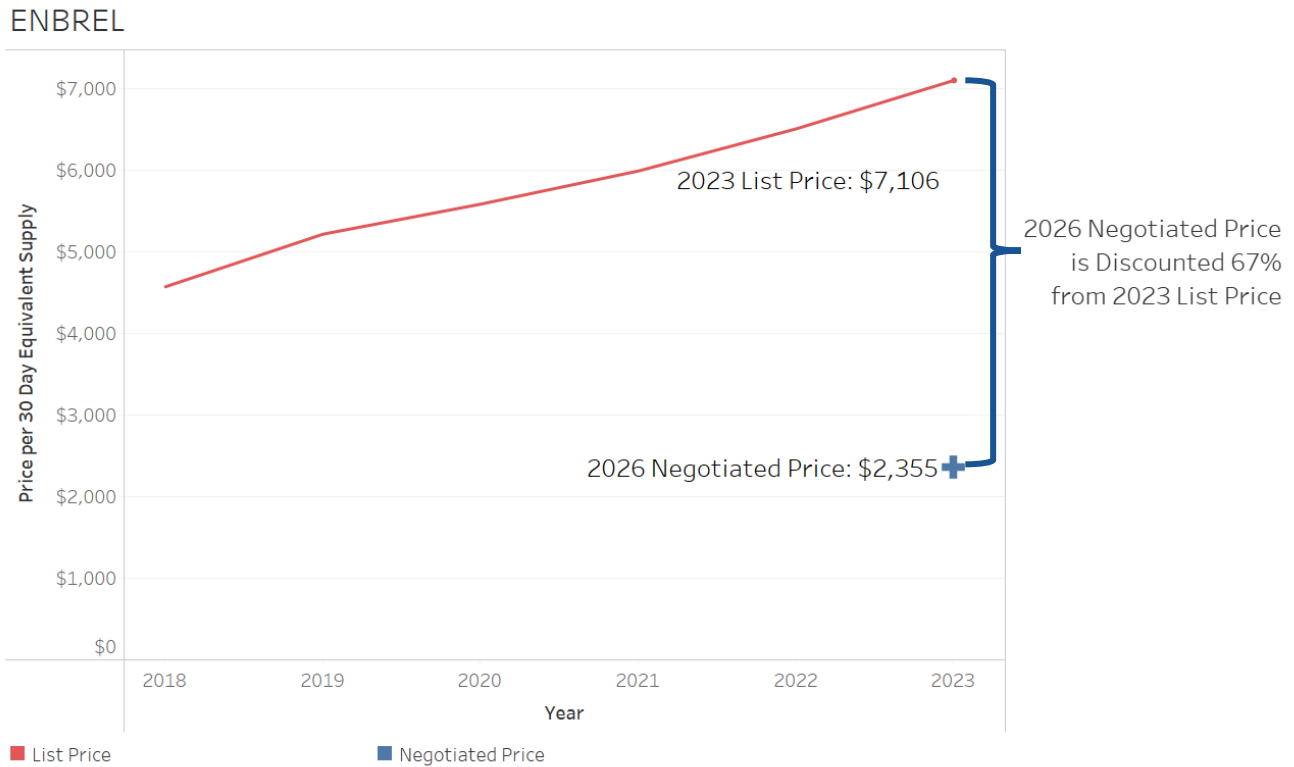
Notes:

List price: Wholesale Acquisition Cost (WAC), a baseline price set by the manufacturer, before any discounts or rebates. List prices are rounded to the nearest dollar and computed based on 30 day equivalent supply using CY 2022 Medicare Part D prescription fills.

Negotiated Price: Medicare Part D plans will not pay more than the negotiated price plus a dispensing fee for the selected drug at the pharmacy counter or when purchasing from another dispensing entity.

Prices are for a 30 Day Equivalent Supply

Figure 3. Enbrel List Price Trend (2018-2023) vs. Negotiated Price (2026)



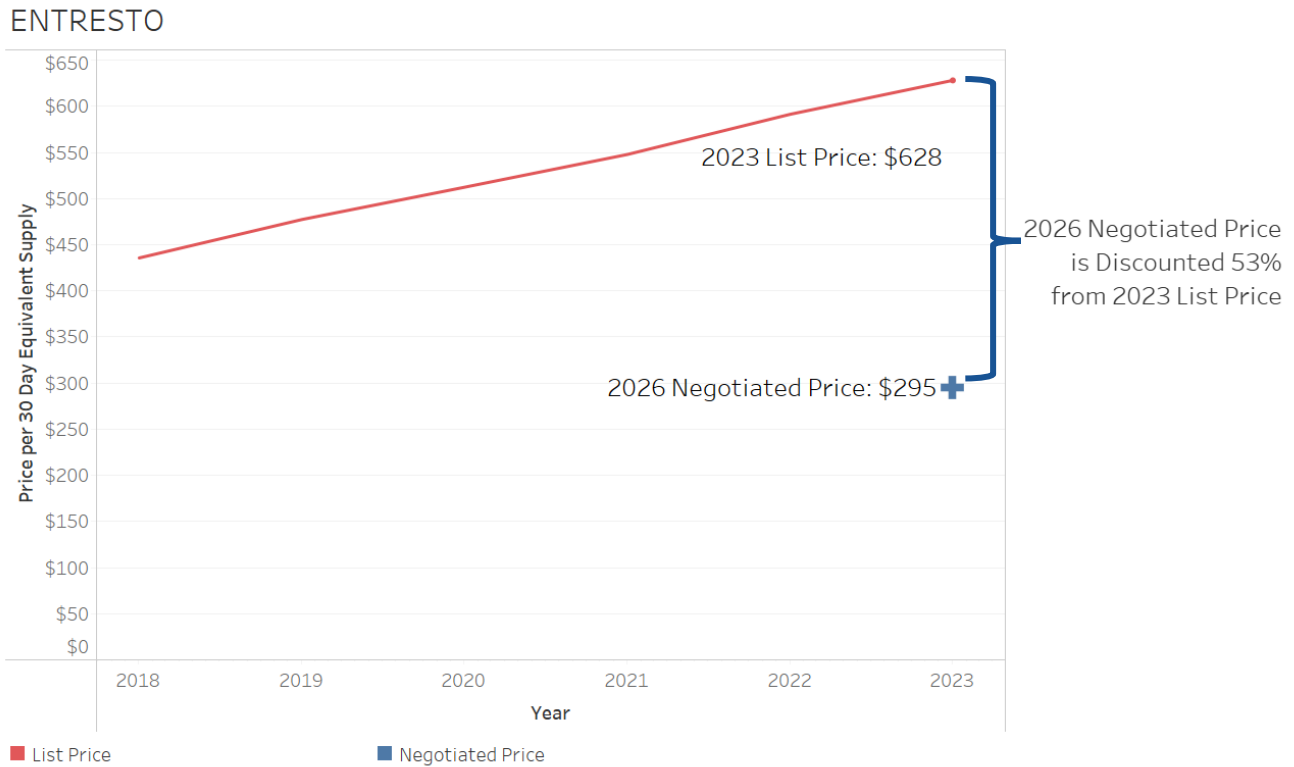
Notes:

List price: Wholesale Acquisition Cost (WAC) from AnalySource is the baseline price set by the manufacturer, before any discounts or rebates. List prices are rounded to the nearest dollar and computed based on 30 day equivalent supply using CY 2022 Medicare Part D prescription fills.

Negotiated Price: Medicare Part D plans will not pay more than the negotiated price plus a dispensing fee for the selected drug at the pharmacy counter or when purchasing from another dispensing entity.

Prices are for a 30 Day Equivalent Supply

Figure 4. Entresto List Price Trend (2018-2023) vs. Negotiated Price (2026)



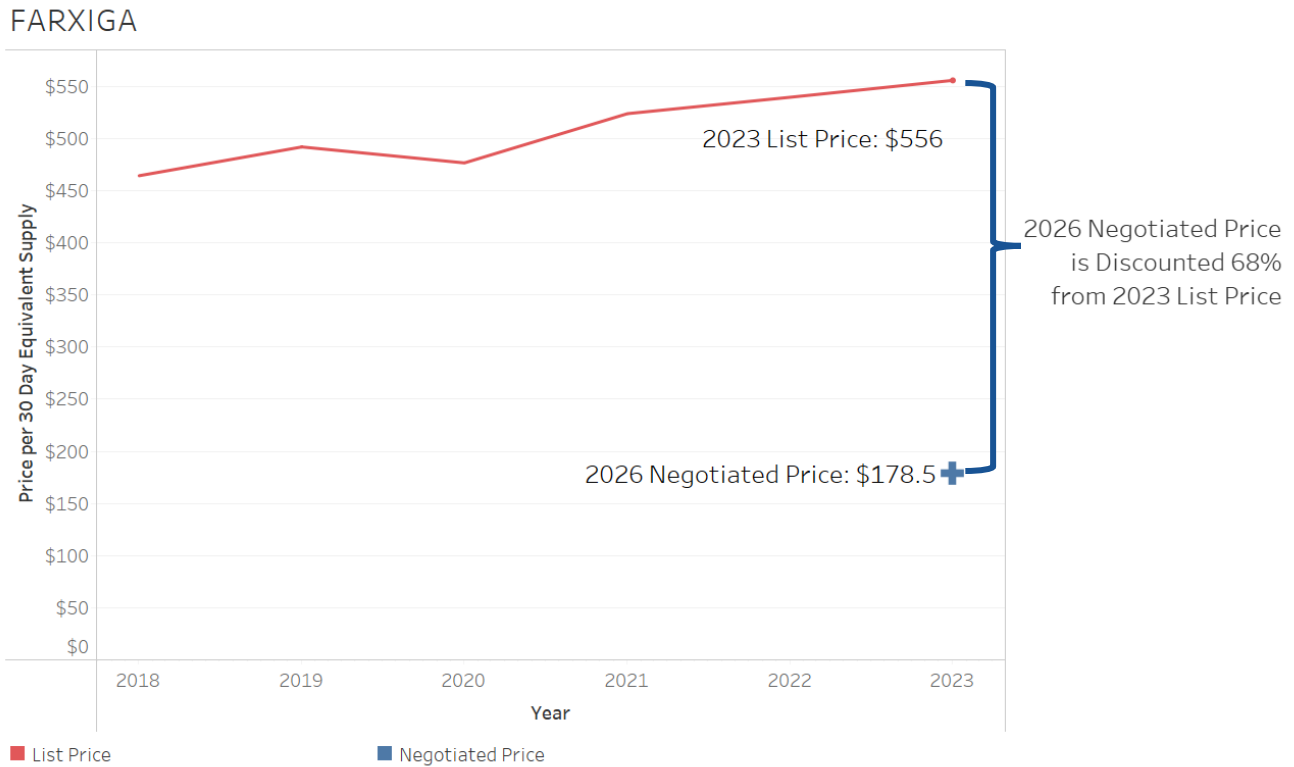
Notes:

List price: Wholesale Acquisition Cost (WAC) from AnalySource is the baseline price set by the manufacturer, before any discounts or rebates. List prices are rounded to the nearest dollar and computed based on 30 day equivalent supply using CY 2022 Medicare Part D prescription fills.

Negotiated Price: Medicare Part D plans will not pay more than the negotiated price plus a dispensing fee for the selected drug at the pharmacy counter or when purchasing from another dispensing entity.

Prices are for a 30 Day Equivalent Supply

Figure 5. Farxiga List Price Trend (2018-2023) vs. Negotiated Price (2026)



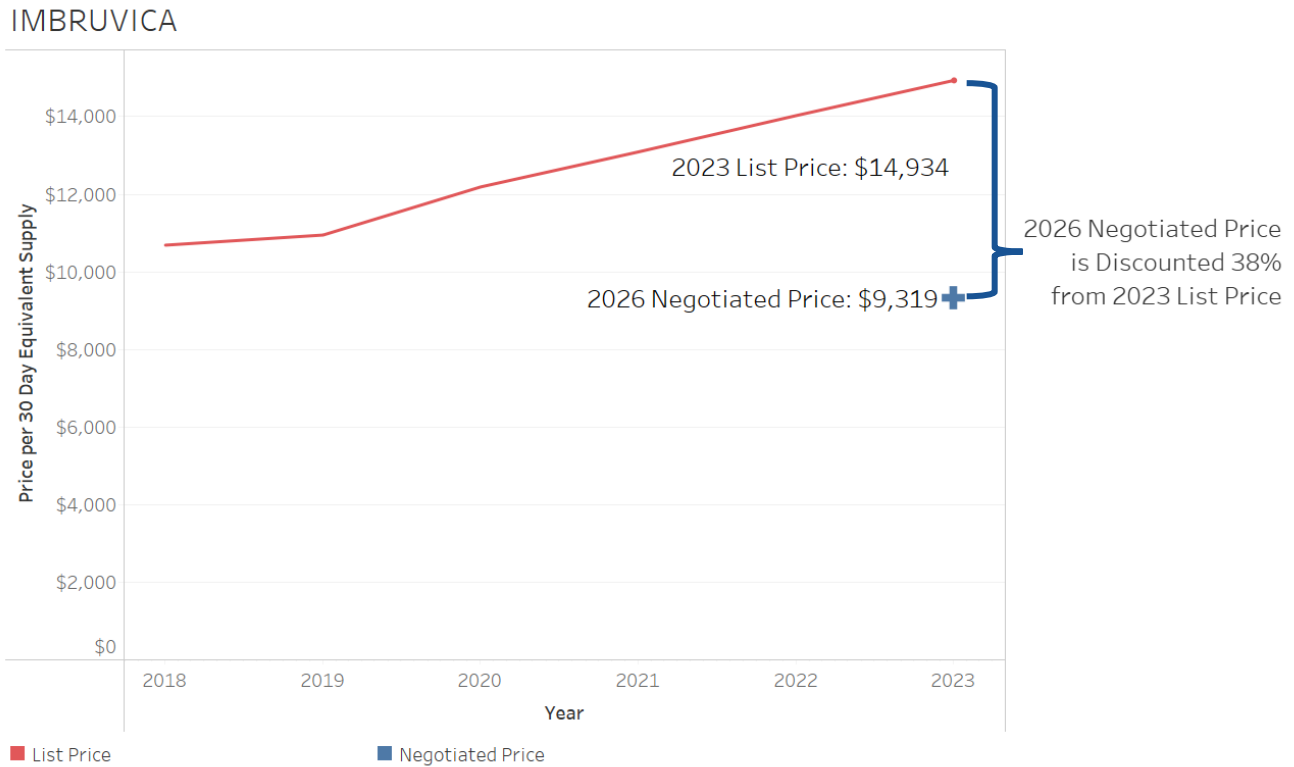
Notes:

List price: Wholesale Acquisition Cost (WAC) from AnalySource is the baseline price set by the manufacturer, before any discounts or rebates. List prices are rounded to the nearest dollar and computed based on 30 day equivalent supply using CY 2022 Medicare Part D prescription fills.

Negotiated Price: Medicare Part D plans will not pay more than the negotiated price plus a dispensing fee for the selected drug at the pharmacy counter or when purchasing from another dispensing entity.

Prices are for a 30 Day Equivalent Supply

Figure 6. Imbruvica List Price Trend (2018-2023) vs. Negotiated Price (2026)



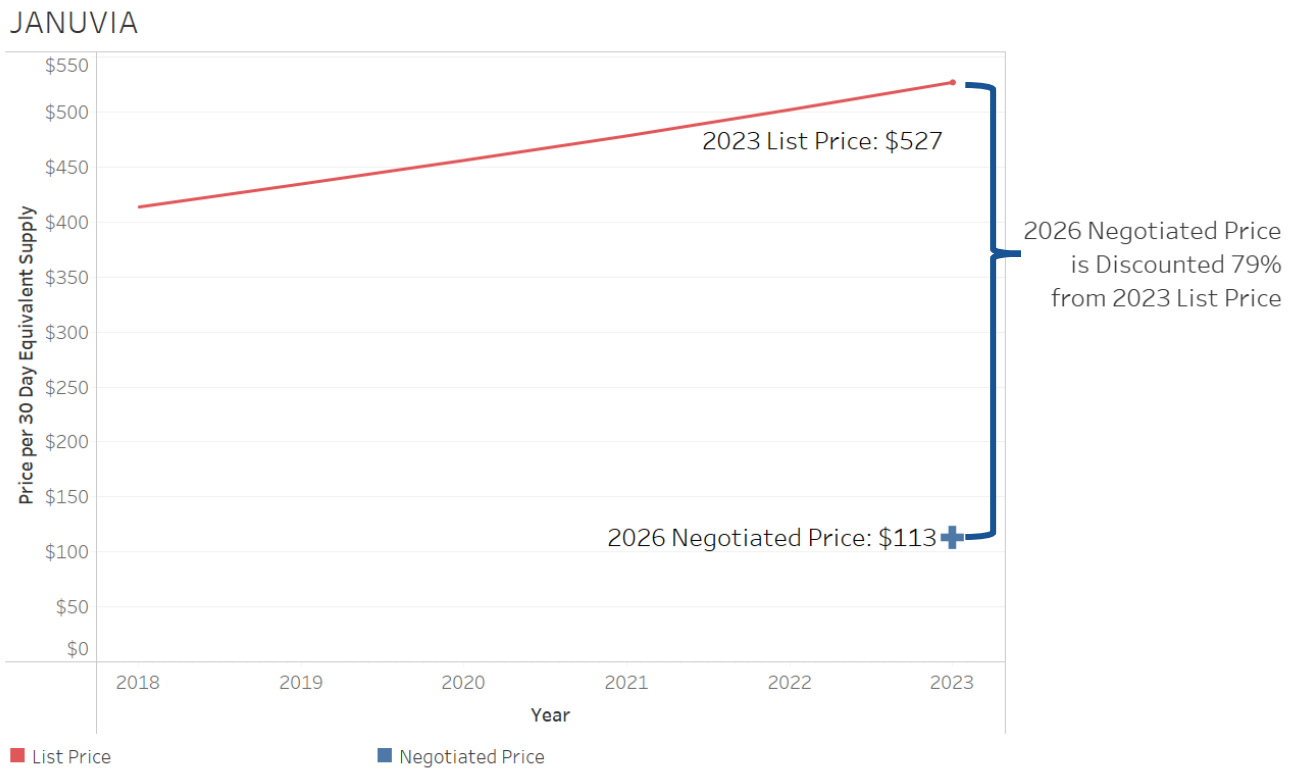
Notes:

List price: Wholesale Acquisition Cost (WAC) from AnalySource is the baseline price set by the manufacturer, before any discounts or rebates. List prices are rounded to the nearest dollar and computed based on 30 day equivalent supply using CY 2022 Medicare Part D prescription fills.

Negotiated Price: Medicare Part D plans will not pay more than the negotiated price plus a dispensing fee for the selected drug at the pharmacy counter or when purchasing from another dispensing entity.

Prices are for a 30 Day Equivalent Supply

Figure 7. Januvia List Price Trend (2018-2023) vs. Negotiated Price (2026)



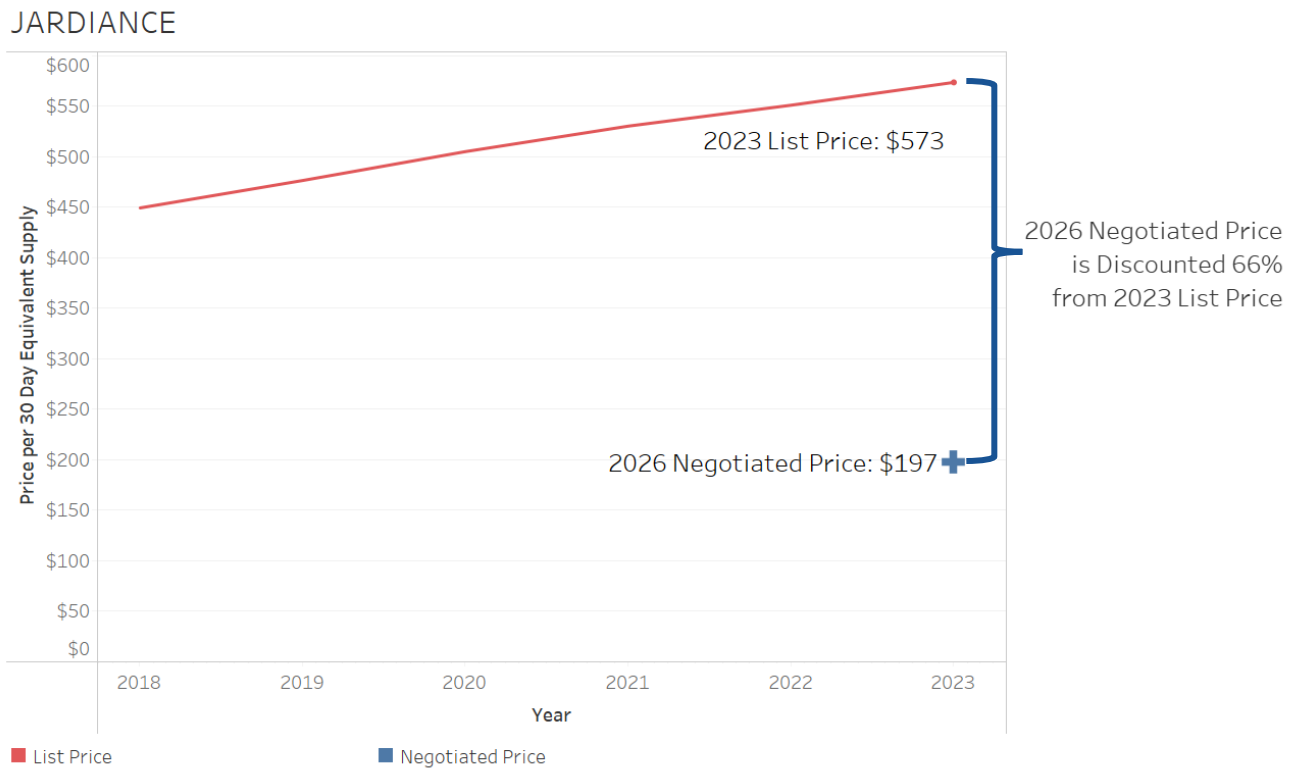
Notes:

List price: Wholesale Acquisition Cost (WAC) from AnalySource is the baseline price set by the manufacturer, before any discounts or rebates. List prices are rounded to the nearest dollar and computed based on 30 day equivalent supply using CY 2022 Medicare Part D prescription fills.

Negotiated Price: Medicare Part D plans will not pay more than the negotiated price plus a dispensing fee for the selected drug at the pharmacy counter or when purchasing from another dispensing entity.

Prices are for a 30 Day Equivalent Supply

Figure 8. Jardiance List Price Trend (2018-2023) vs. Negotiated Price (2026)



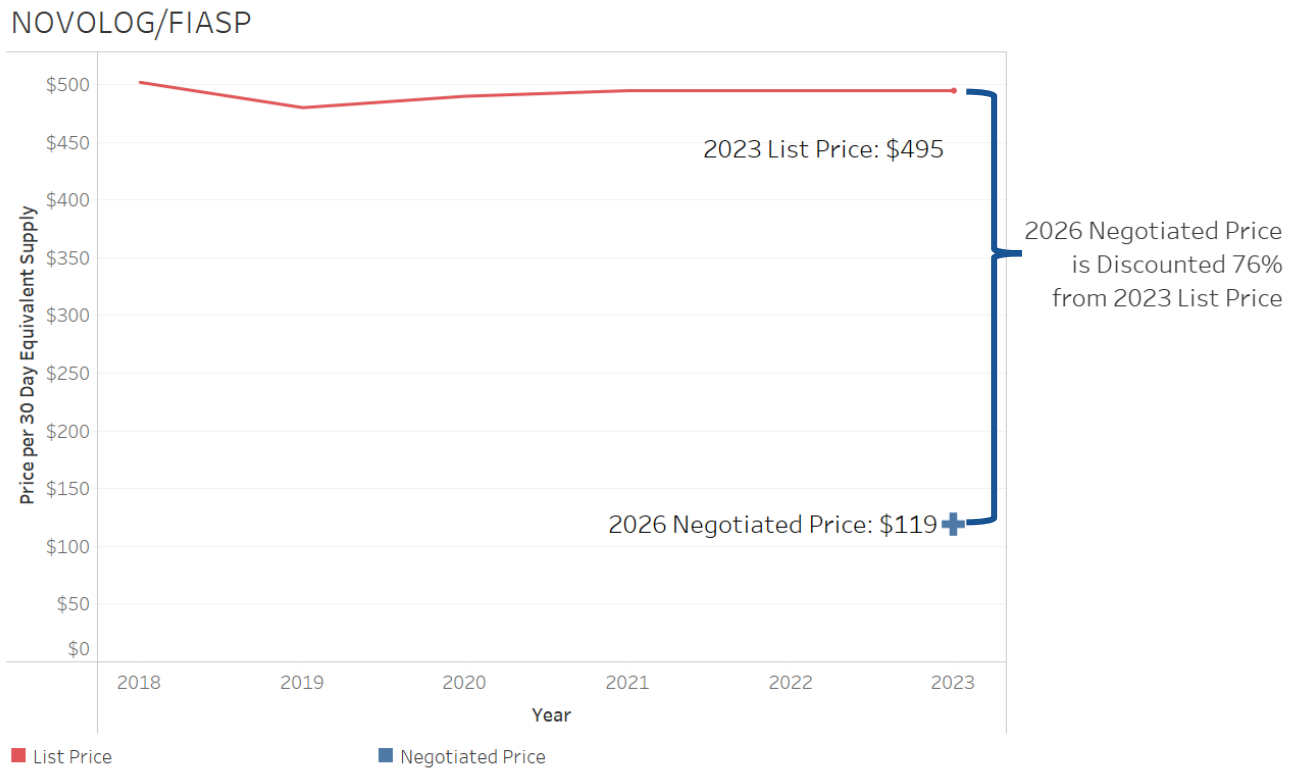
Notes:

List price: Wholesale Acquisition Cost (WAC) from AnalySource is the baseline price set by the manufacturer, before any discounts or rebates. List prices are rounded to the nearest dollar and computed based on 30 day equivalent supply using CY 2022 Medicare Part D prescription fills.

Negotiated Price: Medicare Part D plans will not pay more than the negotiated price plus a dispensing fee for the selected drug at the pharmacy counter or when purchasing from another dispensing entity.

Prices are for a 30 Day Equivalent Supply

Figure 9. NovoLog/Fiasp List Price Trend (2018-2023) vs. Negotiated Price (2026)



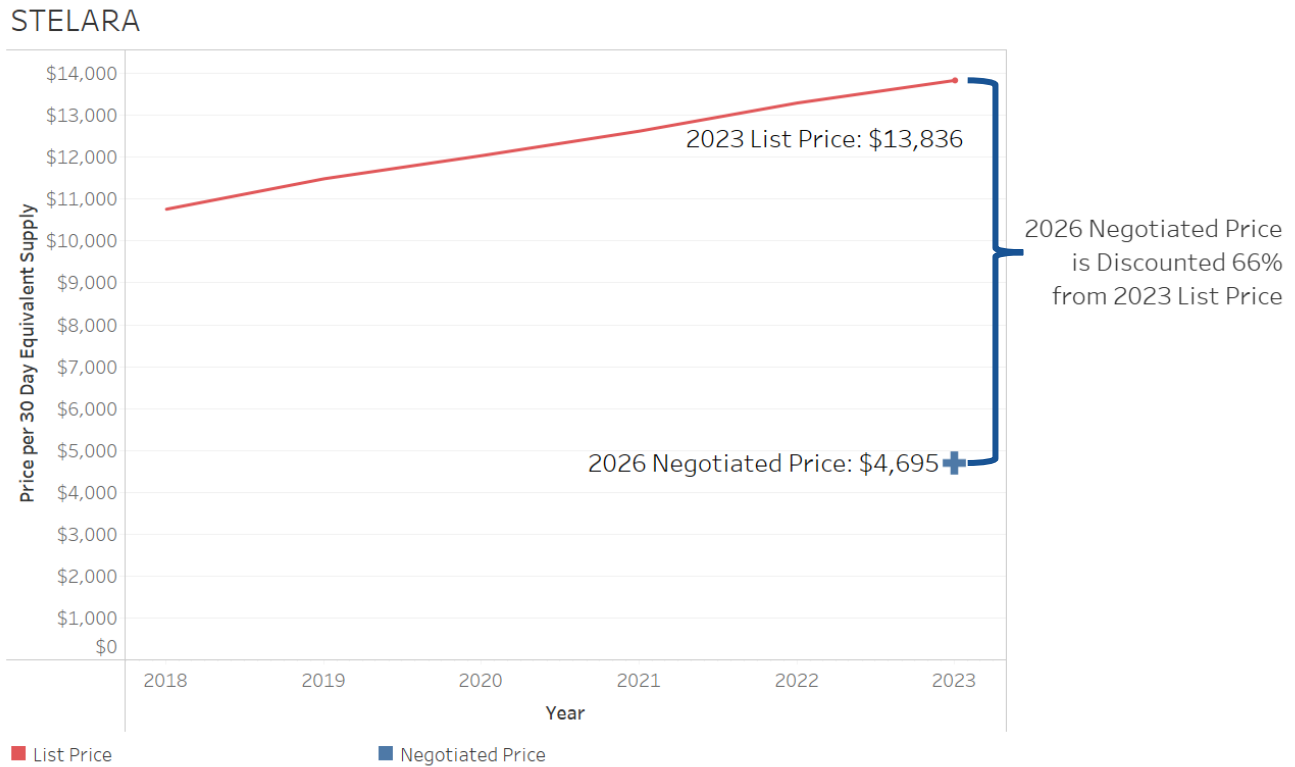
Notes:

List price: Wholesale Acquisition Cost (WAC) from AnalySource is the baseline price set by the manufacturer, before any discounts or rebates. List prices are rounded to the nearest dollar and computed based on 30 day equivalent supply using CY 2022 Medicare Part D prescription fills.

Negotiated Price: Medicare Part D plans will not pay more than the negotiated price plus a dispensing fee for the selected drug at the pharmacy counter or when purchasing from another dispensing entity.

Prices are for a 30 Day Equivalent Supply

Figure 10. Stelara List Price Trend (2018-2023) vs. Negotiated Price (2026)



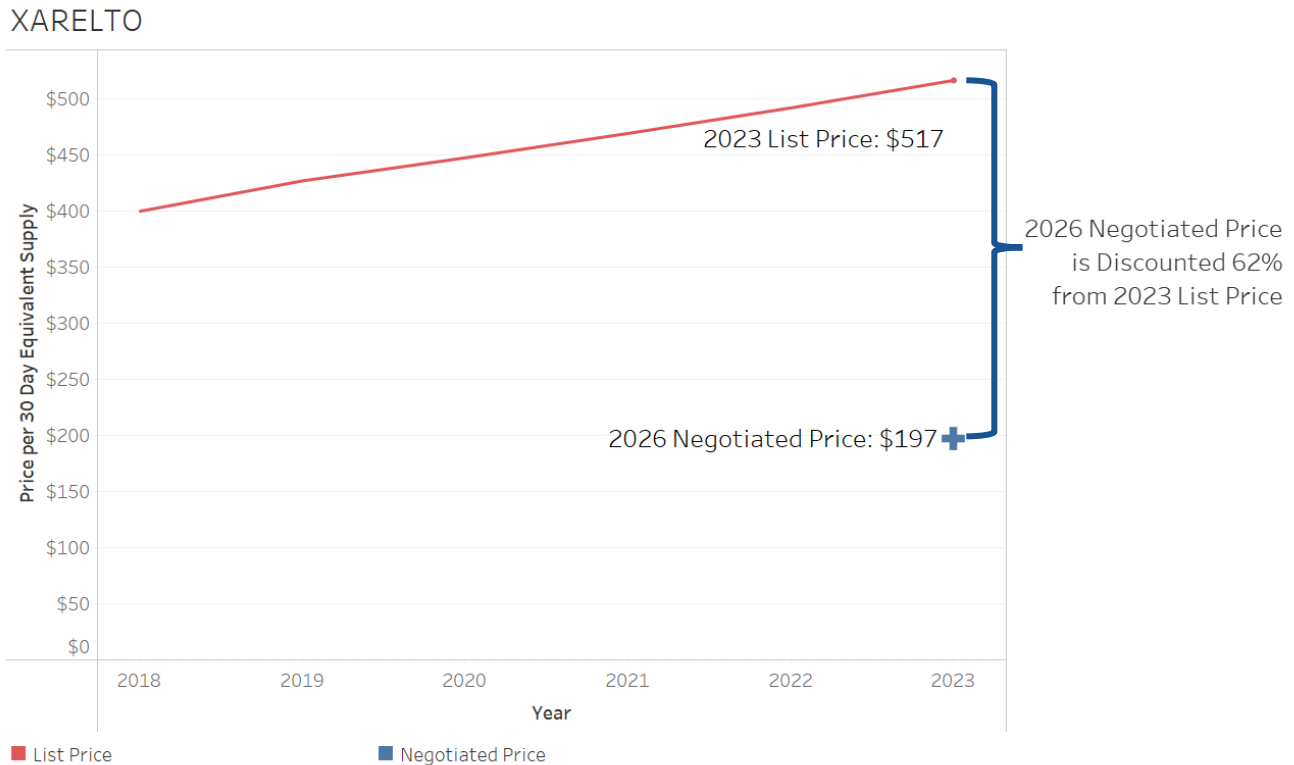
Notes:

List price: Wholesale Acquisition Cost (WAC) from AnalySource is the baseline price set by the manufacturer, before any discounts or rebates. List prices are rounded to the nearest dollar and computed based on 30 day equivalent supply using CY 2022 Medicare Part D prescription fills.

Negotiated Price: Medicare Part D plans will not pay more than the negotiated price plus a dispensing fee for the selected drug at the pharmacy counter or when purchasing from another dispensing entity.

Prices are for a 30 Day Equivalent Supply

Figure 11. Xarelto List Price Trend (2018-2023) vs. Negotiated Price (2026)



Notes:

List price: Wholesale Acquisition Cost (WAC) from AnalySource is the baseline price set by the manufacturer, before any discounts or rebates. List prices are rounded to the nearest dollar and computed based on 30 day equivalent supply using CY 2022 Medicare Part D prescription fills.

Negotiated Price: Medicare Part D plans will not pay more than the negotiated price plus a dispensing fee for the selected drug at the pharmacy counter or when purchasing from another dispensing entity.

Prices are for a 30 Day Equivalent Supply

CONCLUSION

The IRA provides the HHS Secretary with the authority to directly negotiate the prices of selected drug products with high Medicare spending. This analysis of 10 prescription drugs covered under Medicare Part D selected for the first cycle of negotiation reveals a complex and evolving landscape of pricing dynamics in the U.S. healthcare system. The data indicate that list prices have climbed steadily higher for nearly all of these medications, and average retail pharmacy prices in the U.S. market generally track the increases in list prices over time. List prices for the 10 drugs have generally grown faster than consumer prices overall. In 2026, the new Medicare negotiated prices will take effect; these prices are lower than list prices for all 10 drugs with discounts off list price ranging from 38 percent to 79 percent.

Medicare’s new authority to directly negotiate prices for certain covered drugs will improve drug affordability for people with Medicare and lower costs for the Medicare program, improving access to innovative, life-saving treatments for people that need them.

APPENDIX

Table A1: Drugs Selected for Negotiation: List Price and U.S. Average Transaction Price, 2018-2023

Drug Name	Pricing Measure	2018	2019	2020	2021	2022	2023	Change (\$)	Change (%)
Eliquis	List Price	\$389	\$413	\$437	\$464	\$491	\$521	\$132	34%
	U.S. Average Transaction Price	\$371	\$392	\$410	\$430	\$470	\$499	\$128	35%
Jardiance	List Price	\$449	\$476	\$505	\$530	\$551	\$573	\$124	28%
	U.S. Average Transaction Price	\$427	\$446	\$463	\$488	\$523	\$549	\$122	29%
Xarelto	List Price	\$400	\$427	\$448	\$469	\$492	\$517	\$117	29%
	U.S. Average Transaction Price	\$376	\$399	\$411	\$426	\$453	\$484	\$108	29%
Januvia	List Price	\$414	\$435	\$456	\$478	\$502	\$527	\$113	27%
	U.S. Average Transaction Price	\$386	\$402	\$415	\$434	\$464	\$488	\$102	27%
Farxiga	List Price	\$464	\$492	\$477	\$524	\$540	\$556	\$91	20%
	U.S. Average Transaction Price	\$432	\$448	\$467	\$504	\$517	\$531	\$99	23%
Entresto	List Price	\$436	\$477	\$512	\$548	\$591	\$628	\$193	44%
	U.S. Average Transaction Price	\$421	\$461	\$491	\$524	\$564	\$602	\$181	43%
Enbrel	List Price	\$4,575	\$5,220	\$5,588	\$5,996	\$6,512	\$7,106	\$2,531	55%
	U.S. Average Transaction Price	\$4,604	\$4,849	\$4,962	\$5,336	\$5,832	\$6,320	\$1,716	37%
Imbruvica	List Price	\$10,688	\$10,948	\$12,188	\$13,093	\$14,028	\$14,934	\$4,247	40%
	U.S. Average Transaction Price	\$10,402	\$10,725	\$10,108	\$12,043	\$12,683	\$13,117	\$2,715	26%
Stelara	List Price	\$10,760	\$11,486	\$12,039	\$12,625	\$13,297	\$13,836	\$3,076	29%
	U.S. Average Transaction Price	\$9,983	\$10,409	\$10,138	\$10,427	\$10,896	\$11,643	\$1,660	17%
Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill	List Price	\$502	\$480	\$490	\$495	\$495	\$495	-\$7	-1%
	U.S. Average Transaction Price	\$470	\$454	\$445	\$464	\$462	\$453	-\$18	-4%

Notes: List price: Wholesale Acquisition Cost (WAC) from AnalySource is the baseline price set by the manufacturer, before any discounts or rebates. U.S. Average Transaction Price: This price reflects data from all transactions through retail, mail order, and long-term care dispensing outlets. It includes point of sale rebate discounts. This measure does not include dispensing fees or rebates applied outside of the point of sale.

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