

New Lower Drug Prices Under the Medicare Drug Price Negotiation Program



What You Need to Know

The Biden-Harris Administration’s Inflation Reduction Act—also known as the new prescription drug law—expands Medicare benefits, lowers prescription drug costs, and, for the first time ever, allows Medicare to directly negotiate with drug companies to lower the prices for certain high-cost prescription drugs.

The Centers for Medicare & Medicaid Services (CMS) **selected** ten drugs paid for under Medicare Part D prescription coverage for the first cycle of negotiations and has reached agreement for all 10 drugs on new, negotiated lower prices that will go into effect in 2026. These are some of Medicare’s most costly and most used medications. They treat a variety of conditions, such as heart disease, diabetes, arthritis, and cancer.

The Medicare Drug Price Negotiation Program will improve access to life-saving drugs for people with Medicare and is expected to save Medicare billions of dollars, strengthening Medicare now and for generations to come.

Meaningful impacts of the new, negotiated lower prices include:



10/10

New negotiated, lower prices



8.8 Million

People with Part D coverage took these drugs in 2023



\$6 Billion
In savings*



\$1.5 Billion

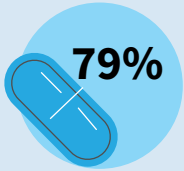
In estimated out-of-pocket savings in 2026 for people with Medicare prescription drug plans

*Estimated based on if the negotiated prices had been in effect in 2023, based on 2023 enrollment and usage.



Price Discounts

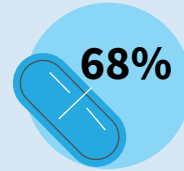
Discounts based on the 2023 list price for a 30-day supply



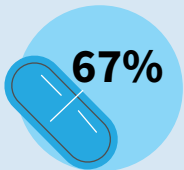
79% **Januvia**
Diabetes



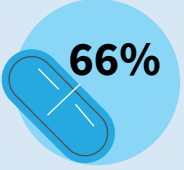
76% **Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog Pen-Fill**
Diabetes



68% **Farxiga**
Diabetes; Heart failure; Chronic kidney disease



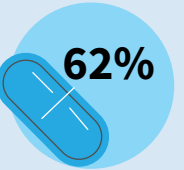
67% **Enbrel**
Rheumatoid arthritis; Psoriasis; Psoriatic arthritis



66% **Jardiance**
Diabetes; heart failure



66% **Stelara**
Psoriasis; Psoriatic arthritis; Crohn’s disease; ulcerative colitis



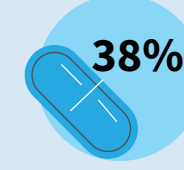
62% **Xarelto**
Prevention/treatment of blood clots; reducing risk of artery disease



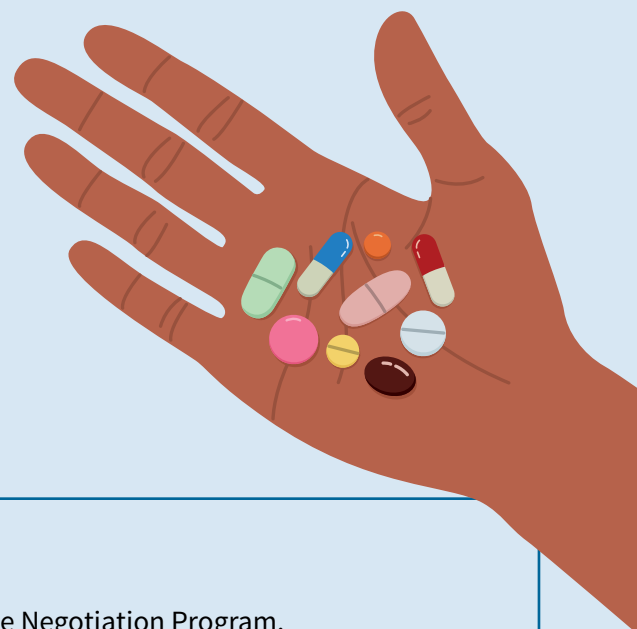
56% **Eliquis**
Prevention/treatment of blood clots



53% **Entresto**
Heart failure



38% **Imbruvica**
Blood cancers



Future Negotiations

More drugs will be selected each year as part of the Medicare Drug Price Negotiation Program. By **February 1, 2025**, CMS will announce up to 15 additional drugs covered under Part D that will be selected for negotiation.

Other Ways the New Prescription Drug Law is Lowering Costs for People with Medicare:

- Insulin costs capped at **\$35 for a month’s supply** of each covered insulin product
- Certain **recommended vaccines free** for people with Medicare Part D coverage
- More help paying for high drug costs through the expansion of the **Extra Help program**. For more information and to see if you are eligible, visit [Medicare.gov/extrahelp](https://www.medicare.gov/extrahelp).
- And for 2025, everyone with Medicare prescription drug coverage will have their **annual out-of-pocket costs capped at \$2,000**.

Notes: Drugs selected for negotiation must have no generic or biosimilar competition. Participation by drug companies in the drug price negotiation program is voluntary; the figures included here are estimates based on continued drug company participation in Medicare.