

PRATT'S GOVERNMENT CONTRACTING LAW REPORT

VOLUME 10

NUMBER 12

December 2024

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Library of Congress Card Number:

ISBN: 978-1-6328-2705-0 (print)
ISSN: 2688-7290

Cite this publication as:

[author name], [article title], [vol. no.] PRATT’S GOVERNMENT CONTRACTING LAW REPORT [page number] (LexisNexis A.S. Pratt)
Michelle E. Litteken, GAO Holds NASA Exceeded Its Discretion in Protest of FSS Task Order, 1 PRATT’S GOVERNMENT CONTRACTING LAW REPORT 30 (LexisNexis A.S. Pratt)

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Medicare Drug Price Negotiation Program: Centers for Medicare & Medicaid Services Releases New Discounted Prices for 2026 Selected Drugs

*By Dorthula H. Powell-Woodson, Brooke M. DeLoatch and Jordan Ross**

In this article, the authors explain that the Centers for Medicare & Medicaid Services has released the prices for the first 10 prescription drugs selected for negotiation with manufacturers under the Inflation Reduction Act of 2022 Medicare Drug Price Negotiation Program. They add that as the Centers for Medicare & Medicaid Services continues to negotiate new drug prices under the Price Negotiation Program, health plans should anticipate the impact of these price fluctuations during the term of a current (or future) agreement and determine the methodology and process to be used for accessing the impact of these changes.

The Centers for Medicare & Medicaid Services (CMS) has released the prices for the first 10 prescription drugs selected for negotiation with manufacturers (Selected Drugs) under the Inflation Reduction Act of 2022 (IRA) Medicare Drug Price Negotiation Program (Price Negotiation Program).¹ The Price Negotiation Program allows CMS to directly negotiate drug prices for certain high expenditure, single source Medicare Part B and Part D drugs on an escalating scale. CMS announced the 10 Part D Selected Drugs for the initial price applicability year 2026 in August 2023.

In January 2024, CMS and the manufacturers of the 10 Part D Selected Drugs began the Price Negotiation Program process, with negotiations concluding in early August, 2024. CMS took into consideration information provided by manufacturers when determining the new discounted prices, which included research and development costs, prior federal financial support, unit costs of production and distribution, and market/revenue/sales data.

As a result, CMS arrived at the prices for the 10 Part D Selected Drugs, effective January 1, 2026, that are shown in Table 1.

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¹ <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>.

Table 1

Results of the Price Negotiation Program for CY2026				
Drug Name (Treatment Purpose)	Manufacturer	Negotiated Price for 30-day Supply	List Price for 30-day Supply	Percent Reduction
Januvia (Diabetes)	Merck Sharp Dohme	\$113	\$527	79%
Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFil (Diabetes)	Novo Nordisk Inc	\$119	\$495	76%
Farxiga (Diabetes; Heart failure; Chronic kidney disease)	AstraZeneca AB	\$178.50	\$556	68%
Enbrel (Rheumatoid arthritis; Psoriasis; Psoriatic arthritis)	Immunex Corporation	\$2,355	\$7,106	67%
Jardiance (Diabetes; Heart failure; Chronic kidney disease)	Boehringer Ingelheim	\$197	\$573	66%
Stelara (Psoriasis; Psoriatic arthritis; Crohn's disease; Ulcerative colitis)	Janssen Biotech, Inc.	\$4,695	\$13,836.00	66%
Xarelto (Blood clots, coronary/peripheral artery disease)	Janssen Pharms	\$197	\$517	62%
Eliquis (Blood clots)	Bristol Myers Squibb	\$231	\$521	56%
Entresto (Heart failure)	Novartis Pharms Corp	\$295	\$628	53%
Imbruvica (Blood cancers)	Pharmacyclics LLC	\$9,319	\$14,934	38%

The negotiated prices range from 38% to 79% discounts off the 30-day supply list prices. In a press release,² CMS commented that if the new prices had been in effect last year, Medicare would have saved an estimated \$6 billion, or approximately 22%, across the 10 Selected Drugs.

WHAT HAPPENS NEXT?

- CMS has until March 2025 to publish an explanation for the negotiated prices for each Selected Drug that go into effect on January 1, 2026.
- By February 2025,³ CMS will select up to 15 more drugs covered under Part D for negotiations for 2027. Drug manufacturers will have until the end of that month to decide whether to participate in the Price Negotiation Program.
- Following the second round of price negotiations, CMS may negotiate prices for another 15 drugs that will go into effect in 2028, and then another 20 drugs that will go into effect in 2029.

WHAT ACTIONS SHOULD YOU TAKE NOW?

As a result of the Price Negotiation Program and the drug pricing changes to be expected over the next few years, health plans are encouraged to review closely the financial terms of their pharmacy benefit management (PBM) agreements to consider whether the new negotiated 2025 drug prices trigger certain rights or actions under the agreements (e.g., reservation of rights, exception events, equitable adjustment, changes to law, etc.) that permit the PBM or health plan to adjust the drug pricing or financial guarantees beginning in 2025.

As CMS continues to negotiate new drug prices under the Price Negotiation Program, health plans should anticipate the impact of these price fluctuations during the term of a current (or future) agreement and determine the methodology and process to be used for accessing the impact of these changes.

² <https://www.cms.gov/newsroom/press-releases/negotiating-lower-drug-prices-works-saves-billions#:~:text=These%20negotiated%20prices%20range%20from,10%20drugs%20selected%20for%20negotiation.>

³ [https://www.cms.gov/files/document/fact-sheet-medicare-drug-price-negotiation-program-ipay-2027-and-manufacturer-effectuation-mfp-2026.pdf.](https://www.cms.gov/files/document/fact-sheet-medicare-drug-price-negotiation-program-ipay-2027-and-manufacturer-effectuation-mfp-2026.pdf)