

CMS Announces First List of Drugs Subject to Price Negotiation

Healthcare Law Update

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The Centers for Medicare and Medicaid Services (CMS) recently [announced](#) the first ten drugs that will be subject to price negotiation under Medicare Part D. The Inflation Reduction Act, signed by President Biden on August 16, 2022, authorizes CMS to negotiate drug prices. The Act primarily aims to lower drug costs, increase access to life-saving treatments, provide financial relief for seniors, encourage innovation, and ultimately lead to lower healthcare costs. In 2022, Medicare enrollees paid \$3.4 billion out-of-pocket for these ten drugs.

Price negotiations are scheduled for 2023 and 2024 with the negotiated prices taking effect in 2026. Negotiations will consider the drug's clinical benefits, unmet medical needs, and costs associated with research and production. The drugs selected for negotiation include:

- Eliquis;
- Jardiance;
- Xarelto;
- Januvia;
- Farxiga;
- Entresto;
- Enbrel;

- Imbruvica;
- Stelara; and
- Fiasp; Fiasp FlexTouch; Fiasp PenFill; NovoLog; NovoLog FlexPen; NovoLog PenFill.

By September 1, 2024, CMS will publish the negotiated prices, which will become effective on January 1, 2026. CMS plans to negotiate prices for up to 15 additional drugs in 2027, 15 additional drugs in 2028, and more annually.

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