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Medicare News

What is the Medicare Drug Price Negotiation Program?

In 2022, Congress passed the Inflation Reduction Act (IRA), which authorized the Medicare Drug Price Negotiation Program. This program allows the federal government to negotiate Medicare's prices for certain drugs. Under this program, the U.S. Department of Health and Human Services secretary works with pharmaceutical manufacturers to negotiate prices of drugs that account for a large portion of Medicare's spending.

In 2023, the Centers for Medicare and Medicaid Services (CMS) initiated the first round of negotiations that will go into effect in 2026; ten drugs were selected. Those drugs included: Eliquis, Jardiance, Xarelto, Januvia, Farxiga, Entresto, Enbrel, Imbruvica, Stelara, and Novolog/Fiasp. Negotiated prices will take effect in January 2026. The reduction in costs is expected to save \$1.5 billion in out-of-pocket costs to beneficiaries and \$6 billion in costs directly to Medicare, according to the Medicare Rights Center.

District.