

White House Announces Results of Medicare Drug Price Negotiations

On Aug. 15, the Biden administration [announced](#) that the Department of Health and Human Services (HHS) reached agreements with top drugmakers to lower prices for the first 10 drugs subject to Medicare price negotiations. After months of negotiation beginning last October, the agreed-upon drug discounts range between 38% and 79%. The new pricing for Medicare Part D enrollees goes into effect on Jan. 1, 2026.

Under the Inflation Reduction Act, the Medicare Drug Price Negotiation Program allows the government to negotiate directly with drug manufacturers to improve access to some of the costliest brand-name drugs. The following Medicare Part D drugs will be the first ones subject to these negotiations:

- **Eliquis**, for preventing and treating blood clots
- **Jardiance**, for treating diabetes and heart failure
- **Xarelto**, for preventing and treating blood clots; also reduces risks for patients with coronary or peripheral artery disease
- **Januvia**, for treating diabetes
- **Farxiga**, for treating diabetes, heart failure and chronic kidney disease
- **Entresto**, for treating heart failure
- **Enbrel**, for treating rheumatoid arthritis, psoriasis and psoriatic arthritis
- **Imbruvica**, for treating blood cancers

- **Stelara**, for treating psoriasis, psoriatic arthritis, Crohn's disease and ulcerative colitis
- **Fiasp/NovoLog**, for treating diabetes

Many Medicare Part D enrollees depend on medications to treat life-threatening conditions, such as diabetes and heart failure, but may not be able to access them due to costs. HHS reports that people with Medicare prescription drug coverage are expected to see aggregated estimated savings of \$1.5 billion in their out-of-pocket costs in 2026.

The Peterson-Kaiser Health System Tracker found that 3.4 million employees, in addition to Medicare recipients, used at least 1 of the 10 newly negotiated drugs.

What's Next?

The Medicare Drug Price Negotiation Program aims to lower out-of-pocket costs for millions of seniors and offer savings for taxpayers. The new pricing is effective Jan. 1, 2026, and Medicare will select up to 15 more drugs covered under Part D for negotiation in 2027 by Feb. 1, 2025. As the Inflation Reduction Act requires, Medicare will next select up to 15 more drugs covered by Part B or Part D in 2028 and up to 20 more drugs each year after that.

Employers should continue to monitor health care trends, utilization, costs and spending. Contact us today for more information.