



1600 20th Street, NW • Washington, D.C. 20009 • 202/588-1000 • www.citizen.org

Delaying Drug Price Negotiations = More Big Pharma Price Gouging

Prohibiting Access to Negotiated Prices for 13 Years Would Cost Medicare Beneficiaries and Taxpayers Tens of Billions of Dollars

Key takeaway:

Big Pharma is pushing for measures in the Republican reconciliation bill to undermine Medicare drug price negotiation and let Big Pharma corporations price gouge for longer periods, potentially costing taxpayers and patients tens of billions of dollars.

Background

- The Inflation Reduction Act (IRA) for the first time empowers Medicare to negotiate drug prices directly with pharmaceutical manufacturers.
- **The Congressional Budget Office (CBO) estimated that in the first six years negotiated drug prices are available through Medicare, the government will save nearly \$100 billion.**
- Medicare enrollees will save billions more through lower premiums and reduced out-of-pocket costs that stem from negotiations.
- Medicare has already negotiated lower prices for 10 drugs, and this year it is negotiating with manufacturers of 15 more drugs to obtain lower prices, including with Novo Nordisk on Ozempic and Wegovy prices.

Big Pharma aims to Undermine Drug Price Negotiations

- Now drug corporations are pushing to gut the law so patients would be forced to wait years longer before receiving price relief on expensive drugs.
- When Congress passed Medicare drug price negotiation, Big Pharma was able to extract a major concession: prices wouldn't be negotiated for new drugs until they had been on the market for 7 years (or in some cases longer).
- Now pharmaceutical companies are maneuvering to delay negotiation even longer.
- **Lengthening the negotiation delay period would keep prices higher for longer, costing taxpayers and patients tens of billions of dollars.**

Impact of Pharma's Proposed Delay on Drugs Already Under Negotiation

If the 13-year delay that Big Pharma is pushing was already included in the law, Medicare would have been *prohibited* from negotiating prices for more than half of the drugs on which the program is negotiating this year, which represent **more than \$28 billion** in annual gross Medicare spending:

Drug Name	Commonly Treated Conditions Under Medicare Part D	Total Part D Gross Covered Prescription Drug Costs from November 2023-October 2024	Number of Medicare Part D Enrollees Who Used the Drug from November 2023 – October 2024	Earliest Year Negotiated Prices Would Be Available If Pharma Delay Proposal Were Current Law
Ozempic; Wegovy; Rybelsus	Type 2 diabetes; Type 2 diabetes and cardiovascular disease; Obesity/overweight and cardiovascular disease	\$14,426,566,000	2,287,000	2031
Trelegy Ellipta	Asthma; Chronic obstructive pulmonary disease	\$5,138,107,000	1,252,000	2031
Ofev	Idiopathic pulmonary fibrosis	\$1,961,060,000	24,000	2028
Ibrance	Breast cancer	\$1,984,624,000	16,000	2029
Calquence	Chronic lymphocytic leukemia/small lymphocytic lymphoma; Mantle cell lymphoma	\$1,614,250,000	15,000	2031
Austedo; Austedo XR	Chorea in Huntington's disease; Tardive dyskinesia	\$1,531,855,000	26,000	2031
Vraylar	Bipolar I disorder; Major depressive disorder; Schizophrenia	\$1,085,788,000	116,000	2029
Otezla	Oral ulcers in Behçet's Disease; Plaque psoriasis; Psoriatic arthritis	\$994,001,000	31,000	2028

Five out of the 10 drugs selected for the first round of negotiations, which have negotiated prices that will become available on January 1, 2026, would have also been excluded if Big Pharma's 13-year delay proposal were included in current law. Cumulatively, these drugs accounted for **more than \$37 billion** in gross spending by Medicare Part D in 2023:

Drug Name	Commonly Treated Conditions Under Medicare Part D	Total Part D Gross Covered Prescription Drug Costs, CY 2023	Number of Medicare Part D Enrollees Who Used the Drug, CY 2023	Earliest Year Negotiated Prices Would Be Available If Pharma Delay Proposal Were Current Law
Eliquis	Prevention and treatment of blood clots	\$18,275,108,000	3,928,000	2027
Jardiance	Diabetes; Heart failure; Chronic kidney disease	\$8,840,947,000	1,883,000	2028
Farxiga	Diabetes; Heart failure; Chronic kidney disease	\$4,342,594,000	994,000	2028
Entresto	Heart failure	\$3,430,753,000	664,000	2029
Imbruvica	Blood cancers	\$2,371,858,000	17,000	2028

An overwhelming majority of Americans support Medicare [negotiating prices for more drugs](#), not exempting more drugs from negotiation. Policymakers should reject attempts from Big Pharma and its allies to weaken Medicare drug price negotiation through the Republican reconciliation bill or any other legislation.

Please feel free to reach out to Public Citizen Access to Medicines Advocate, Steven Knievel (sknievel@citizen.org), with any questions or to discuss Medicare drug price negotiation further. For more information, also see Public Citizen's [Issue Brief: Protecting Medicare Drug Price Negotiations](#).