

New Yorkers Will Save As Medicare Negotiates Lower Drug Costs

The Biden administration [announced](#) the first round of high-cost drugs whose prices will come down as part of the Inflation Reduction Act's Medicare Drug Price Negotiation Program. Medicare will have the power to negotiate lower prices for some of the highest-priced prescription drugs used to treat conditions like diabetes, heart disease, cancer, arthritis, chronic kidney disease, psoriasis, Crohn's disease, and ulcerative colitis – many of which disproportionately impact women, communities of color, and people in rural areas.

For too long, New Yorkers and people across the country have been paying three to four times more than people in other countries for the prescription drugs they depend on, forcing people to choose between filling a prescription or filling their refrigerator. Giving Medicare the power to negotiate with drug companies will help bring the price of medicines in the U.S. more in line with what other countries pay.

The impact of lower prescription drug costs thanks to the Inflation Reduction Act will be felt by thousands of New Yorkers. Negotiating lower prices on certain popular high-cost drugs will help:

- **232,000** New Yorkers who pay an average of **\$342** out-of-pocket per year for **Eliquis**, sold by Bristol Myers Squibb, to treat blood clots.
- **96,000** New Yorkers who pay an average of **\$205** out-of-pocket per year for **Jardiance**, sold by Boehringer Ingelheim, to treat diabetes.
- **86,000** New Yorkers who pay an average of **\$347** out-of-pocket per year for **Xarelto**, sold by Johnson & Johnson, to treat blood clots.
- **85,000** New Yorkers who pay an average of **\$174** out-of-pocket per year for **Januvia**, sold by Merck, to treat diabetes.
- **53,000** New Yorkers who pay an average of **\$195** out-of-pocket per year for **Farxiga**, sold by AstraZeneca to treat diabetes.
- **43,000** New Yorkers who pay an average of **\$265** out-of-pocket per year for **Entresto**, sold by Novartis, to treat heart failure.
- **4,000** New Yorkers who pay an average of **\$754** out-of-pocket per year for **Enbrel**, sold by Amgen, to treat arthritis and psoriasis.
- **2,000** New Yorkers who pay an average of **\$3,479** out-of-pocket per year for **Imbruvica**, sold by AbbVie, to treat blood cancers.
- **2,000** New Yorkers who pay an average of **\$1,459** out-of-pocket per year for **Stelara**, sold by Johnson & Johnson, to treat psoriasis and Crohn's disease.
- **50,000** New Yorkers who pay an average of **\$89** out-of-pocket per year for **Fiasp/NovoLog**, sold by Novo Nordisk, to treat diabetes.

Drug Price Negotiation Improves Other Medicare Benefits. As a result of Medicare negotiation negotiations, **New Yorkers** with Medicare will have access to innovative, life-saving treatments at lower prices, translating into lower premiums and out-of-pocket costs for older Americans and producing savings that are being used to improve benefits, including:

- a new \$35 cap on monthly insulin prescriptions;

- free recommended vaccines;
- a \$2,000 annual cap on prescription drug costs taking effect in 2025.

The First 10 Drugs Are Just The Beginning. Negotiations will occur over the coming year and new, lower prices will be announced by September 1, 2024, and take effect in 2026. The first ten drugs that will see lower prices are responsible for about 20% of total Medicare Part D prescription drug costs every year. The companies that market them have made more than \$493 billion in revenue from these drugs. Medicare will negotiate lower prices for an additional 15 drugs for prices effective in 2027, and by 2029, Medicare will negotiate lower prices for 20 drugs per year. And President Biden and Democrats in Congress are already working to expand these cost savings to more Americans, no matter what age they are or how they get their health coverage.

Medicare Drug Price Negotiation Is Overwhelmingly Popular. Negotiating lower prices is overwhelmingly popular across the country, yet big drug companies are suing the federal government to protect their massive profits by halting the program while Republicans are attempting to repeal it. A recent Hart Research poll shows that 96 percent of Americans agree that lowering drug prices “is an important way to help people afford the cost of living,” and nearly three-quarters of Americans favor Democrats’ move to pass Medicare negotiation. Meanwhile, pharmaceutical companies’ arguments against negotiation are overwhelmingly rejected by the American people.