

Medicare Negotiations for Lower Drug Prices Explained: Farxiga

Thanks to the Biden-Harris administration and Democrats in Congress, Medicare now has the power to negotiate lower prescription drug prices. Negotiations have concluded for the first 10 drugs selected for negotiation, and in the first year alone these lower prices will save people on Medicare \$1.5 billion in out-of-pocket costs and save taxpayers \$6 billion. These savings negotiated with drug companies go back into Medicare to provide better benefits for seniors like a \$35 monthly cap on insulin and a \$2,000 annual out-of-pocket maximum. By 2030, up to 80 drugs will have lower negotiated prices.

One of the first ten drugs [selected for negotiation](#) is Farxiga, a drug used to treat diabetes, heart failure, and chronic kidney disease, manufactured by AstraZeneca. Thanks to the Biden-Harris administration, the price AstraZeneca charges for Farxiga will drop from [\\$556](#) to a maximum of [\\$178.50](#) for a 30-day supply, a \$377.50 or 68 percent price decrease. Farxiga has made billions of dollars in revenue, and big drug companies like AstraZeneca are eager to protect their sky-high profits by blocking the Medicare Negotiation so they can continue to charge patients unaffordable prices.

The Nearly One Million People on Medicare Who Rely on Farxiga Will Save Thousands.

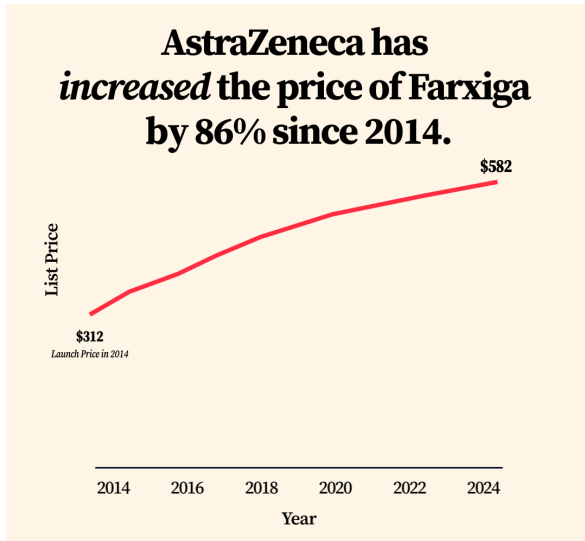
- [Nearly 1 million](#) people enrolled in Medicare Part D rely on Farxiga as of 2023 – 1.5 percent of people on Medicare Part D.

Farxiga Costs Taxpayers Billions.

- Farxiga has cost Medicare a cumulative [\\$10.3 billion](#) – an average of \$4,369 per person taking Farxiga in 2023.
- If the negotiated prices had been in effect during 2023, Medicare would have saved an estimated [\\$375 million](#).

AstraZeneca Price Gouges Americans for Farxiga.

- Farxiga costs significantly more in the U.S. than in other high-income countries. For example, AstraZeneca charges U.S. customers around [7x more](#) than customers in Switzerland, and [nearly 15x](#) more to U.S. customers than to customers in Australia.
- According to Analysource, Farxiga has increased in price by nearly 87 percent since its launch in [2014](#) – 3.3x [faster](#) than inflation for prescription drugs and 2.5x [faster](#) than inflation overall during the same time frame.
- Starting in 2026, AstraZeneca cannot charge seniors more than [\\$178.50](#) for a 30-day supply of Farxiga.



AstraZeneca Rakes In Profits While Rewarding Shareholders and Lobbying.

- Farxiga has generated [nearly \\$25 billion](#) in global revenue since its launch.
- AstraZeneca has spent [nearly \\$38 million](#) on lobbying since launching Farxiga.

Table 1: Farxiga By The Numbers.

Farxiga Quick Facts	
Years on U.S. Market Since Approval	11
Farxiga List Price Increase Since Launch	87 percent
Global Revenue Since Farxiga’s Launch	\$25 billion
Lobbying Since Farxiga’s Launch	\$38 million
Negotiated Savings (for a 30-day supply)	\$377.50
Negotiated Price Discount	68 percent

Farxiga Is Disproportionately Taken by People of Color Enrolled in Medicare. Relative to their proportion in the population enrolled in Medicare Part D:

- The [proportion](#) of Asian Americans, Native Hawaiians, and Pacific Islanders on Medicare taking Farxiga is 1.62 times higher. Asian Americans are [40 percent](#) more likely to be diagnosed with diabetes, [1.6 times more likely](#) to be diagnosed with end-stage renal disease related to diabetes, and rates of heart disease are [rising faster](#) for most Asian Americans when compared to their white counterparts. Native

Hawaiians/Pacific Islanders are also [2.5 times](#) more likely to be diagnosed with diabetes and [2.5 times](#) more likely to die from diabetes compared to their white counterparts.

- **The [proportion](#) of Black Americans on Medicare taking Farxiga is 1.5 times higher.** Black Americans are 60 percent more likely to be diagnosed with diabetes and twice as likely to die from the disease, [more than three times as likely](#) to be diagnosed with end-stage renal disease related to diabetes, and [30 percent more likely](#) to die from heart disease when compared to their white counterparts.
- **The [proportion](#) of Latinos on Medicare taking Farxiga is 1.39 times higher.** Latinos are 70 percent more likely to be diagnosed with diabetes, 1.3 times more likely to die from diabetes, and [twice as likely](#) to be hospitalized for treatment of end-stage renal disease related to diabetes when compared to their non-Hispanic white counterparts.

Table 2: Farxiga Is Disproportionately Taken by People of Color Enrolled in Medicare

Race/Ethnicity	Medicare Part D Pop.	Farxiga Population	Difference
Black	11 percent	16 percent	1.5 times higher
Latino	10 percent	14 percent	1.39 times higher
Asian American, Native Hawaiian, and Pacific Islander	4 percent	6 percent	1.62 times higher

Farxiga Is Most Expensive In Rural States Like North Dakota. The ten drugs selected for price negotiation by Medicare, with few exceptions, are most expensive in heavily rural states. Farxiga costs people on Medicare Part D who reside in North Dakota, South Dakota, and Wyoming the most out-of-pocket.

Table 3: States with the Highest Out-of-Pocket Costs for People On Medicare Part D Taking Farxiga

State	Average Out-of-Pocket Costs for Farxiga By State	Difference From National Average*	Rurality
North Dakota	\$606	2.33 times higher	39 percent of residents live in rural areas
South Dakota	\$537	2.07 times higher	42.8 percent of residents live in rural areas
Wyoming	\$453	1.74 times higher	38 percent of residents live in rural areas

**People on Medicare Part D not in the Extra Help program pay an average of [\\$260](#) annually for Farxiga*

AstraZeneca Has A Long History of Jacking Up Prices and Exploiting Patents for Farxiga:

- **[Bloomberg Law](#): AstraZeneca Sues Sun to Block Copies of Three Diabetes Drugs.** “AstraZeneca PLC filed three lawsuits seeking to block Sun Pharmaceutical Industries Ltd.’s proposed copies of its Farxiga, Qtern, and Xigduo XR diabetes treatments, alleging each infringes a patent that won’t expire until October 2025.” [Bloomberg Law, [12/5/23](#)]
- **[The British Medical Journal](#): Type 1 Diabetes Drug Was Withdrawn Because Of A “Commercial Conflict Of Interest,” Charity Argues.** “Pharmaceutical company AstraZeneca has withdrawn the type 1 diabetes indication for its drug dapagliflozin because of fears that required changes to the product label would cause confusion among doctors when prescribing it for other conditions. [...] But the Juvenile Diabetes Research Foundation (JDRF), a non-profit organisation that funds type 1 diabetes research, said AstraZeneca’s actions were driven by a ‘commercial conflict of interest,’ as other larger patient groups had been prioritised at the expense of those with type 1 diabetes. [...] JDRF has also warned that the move could have wider implications, as it sets a precedent by which a commercially driven drug company can remove access to a drug without any scrutiny of potential conflict of interests or cross-sector consultation.” [The BMJ, [2/14/22](#)]
- **[Accountable.US](#): Drug Company Suing Against Biden Medicare Rx Cost-Saving Effort Enjoyed \$1.37 Billion in Profits in Q3.** “On the heels of a series of lawsuits led by AstraZeneca, PhRMA, and their industry peers to block implementation of the Inflation Reduction Act’s Medicare Drug Price Negotiation Program, pharmaceutical giant AstraZeneca saw profits double over the last nine months, with today’s quarterly earnings of \$1.37 billion beating Wall Street expectations. [...] AstraZeneca’s sky-high earnings come as 3-in-10 Americans say they cannot afford life saving medicine. While drug companies claim that high prices are necessary to fund research and development, and that Medicare’s new power will force drugmakers to reduce spending on research, Accountable.US has previously found that the five-biggest U.S.-based pharmaceutical companies’ \$112 billion in research and development spending from 2019 through 2021 had been outpaced by the \$125 billion they spent on stock buybacks and dividends over the same period. Based on their own earnings reports, it’s clear these price hikes are just a way to extract more money from patients in need and redistribute it to wealthy shareholders.” [Accountable.US, [11/9/23](#)]

Additional Resources

- **[Protect Our Care](#): NEW REPORT: Big Drug Companies Continue to Put Profits Over People**

- [Protect Our Care](#): GREED WATCH: Eight Big Drug Companies That Rip Off Patients Announce Nearly \$100 Billion in Revenue and Over \$15 Billion in Dividends and Stock Buybacks
- [Protect Our Care](#): NEW REPORT: In 2023, Greedy Drug Companies Raked in \$684 Billion and Spent \$106 Billion Rewarding Shareholders
- [Protect Our Care](#): Big Drug Companies Continue To Bring In Hundreds of Billions While Americans Struggle To Afford Skyrocketing Prices
- [Protect Our Care](#): Fact Sheet: American Seniors Will Save As Medicare Negotiates Lower Drug Costs
- [Protect Our Care](#): Big Drug Companies Are in Court to Stop Medicare Negotiation and Protect Their Sky-High Profits
- [Protect Our Care](#): FACT SHEET: How Medicare's New Drug Price Negotiation Power Will Advance Health Equity
- [Protect Our Care](#): By the Numbers: The Ten Costly Drugs That Are Now Eligible to Have Lower Prices Negotiated by Medicare