

## Medicare Negotiations for Lower Drug Prices Explained: Imbruvica

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 Imbruvica, a drug used to treat blood cancers, manufactured by AbbVie and Johnson & Johnson. Thanks to the Biden-Harris administration, the price drug companies charge for Imbruvica will drop from [\\$14,934](#) to a maximum of [\\$9,319](#) for a 30-day supply, a [\\$5,615](#) or 38 percent price decrease. Imbruvica has made billions of dollars in revenue, and big drug companies like AbbVie and Johnson & Johnson are eager to protect their sky-high profits by blocking the Medicare Negotiation so they can continue to charge patients unaffordable prices.

### The Tens of Thousands of People on Medicare Who Rely on Imbruvica Will Save Thousands

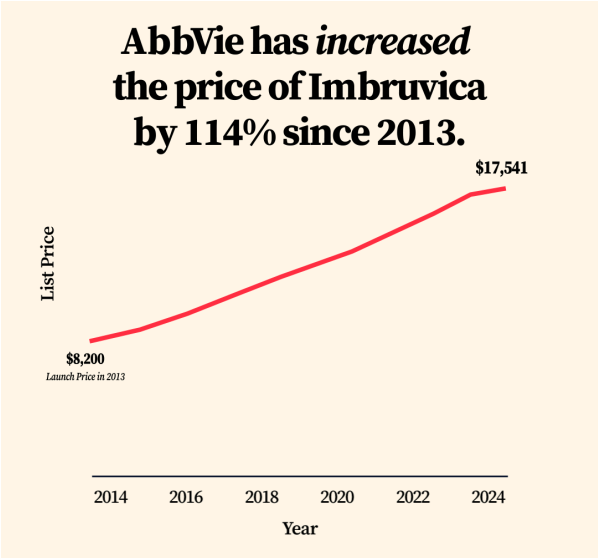
- [17,000](#) people enrolled in Medicare Part D rely on Imbruvica as of 2023.

### Imbruvica Costs Taxpayers Billions.

- Imbruvica has cost Medicare a cumulative [\\$16.7 billion](#)– an average of \$139,521 per person taking Imbruvica in 2023.
- If the negotiated prices had been in effect during 2023, Medicare would have saved an estimated [\\$95.4 million](#).

### AbbVie and Johnson & Johnson Price Gouge Americans for Imbruvica.

- Imbruvica costs significantly more in the U.S. than in other high-income countries. For example, AbbVie and Johnson & Johnson charge U.S. customers [around 1.5x](#) more than customers in Switzerland, and more than 5x more to U.S. customers than to customers in Australia.
- According to Analysource, Imbruvica has increased in price by 114 percent since its launch in [2013](#)– over 4 times [faster](#) than inflation for most prescription drugs and 3.2 times [faster](#) than inflation overall.
- Starting in 2026, AbbVie and Johnson & Johnson cannot charge seniors more than [\\$9,319](#) for a 30-day supply of Imbruvica.



**AbbVie and Johnson & Johnson Rake In Profits While Rewarding Shareholders and Lobbying.**

- Imbruvica has generated a [combined \\$61.7 billion](#) in global revenue since its launch.
- AbbVie and Johnson & Johnson have spent a [combined \\$94.4 billion](#) on stock buybacks for their investors since launching Imbruvica.
- AbbVie and Johnson & Johnson have spent a [combined \\$169 million](#) on lobbying since launching Imbruvica.

Table 1: Imbruvica By The Numbers.

Imbruvica Quick Facts	
Years on U.S. Market Since Approval	12
Imbruvica List Price Increase Since Launch	114 percent
Global Revenue Since Imbruvica’s Launch	a combined \$61.7 billion
Lobbying Since Imbruvica’s Launch	a combined \$169 million
Stock Buybacks Since Imbruvica’s Launch	a combined \$94.4 billion
Negotiated Savings (for a 30-day supply)	\$5,615
Negotiated Price Discount	38 percent

**Imbruvica 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. Imbruvica costs people on Medicare Part D residing in North Dakota, Utah, and Nebraska the most out-of-pocket.

Table 2: States with the Highest Out-of-Pocket Costs for People Enrolled In Medicare Part D Taking Imbruvica

State	Average Out-of-Pocket Costs for Imbruvica By State	Difference From National Average*	Rurality
North Dakota	<a href="#">\$8,237</a>	1.57 times higher	<a href="#">39 percent</a> of residents live in rural areas
Utah	<a href="#">\$8,179</a>	1.56 times higher	<a href="#">10.2 percent</a> of residents live in rural areas
Nebraska	<a href="#">\$7,527</a>	1.43 times higher	<a href="#">27 percent</a> of residents live in rural areas

\*People on Medicare Part D not in the Extra Help program pay an average of [\\$5,247](#) annually for Imbruvica

### AbbVie and Johnson & Johnson Have A Long History of Jacking Up Prices and Exploiting Patents for Imbruvica:

- Fierce Pharma: AbbVie, Already Famous For Its Humira Strategy, Forms Another 'Patent Wall' Around Imbruvica: Report.** “AbbVie grew Humira into the world’s bestselling medicine in part through price hikes and an aggressive patenting strategy to defend against competition. The company is now deploying similar tactics to bolster Imbruvica, a cancer drug with numerous uses and big sales, experts concluded in a new report. AbbVie has filed for 165 patents on Imbruvica, and officials have granted 88 of them, the Initiative for Medicines, Access & Knowledge reports. The company’s add-on patents have earned AbbVie another nine years of patent protections for a total of 29 years of commercial exclusivity, according to the group. AbbVie filed 55% of Imbruvica’s patent applications after FDA approval, the report said. Because Imbruvica generates more than \$4.5 billion per year for AbbVie, I-MAK estimates the added patent life will cost payers \$41 billion or more.” [Fierce Pharma, [7/21/20](#)]
- Fierce Pharma: AbbVie's Imbruvica Patent Win Sets Up Solid Growth Path After Humira's Decline: Analyst.** “In a recent SEC filing, AbbVie said that ‘no generic entry for any Imbruvica product is expected prior to March 30, 2032,’ thanks to prior settlements with generic makers. [...] Last year Imbruvica generated sales of \$5.3 billion for AbbVie and \$4.1 billion for development partner Johnson & Johnson. Launched in 2013, Imbruvica has received 11 approvals in six disease areas including lymphoma. It also is

the lone drug to treat Waldenstrom macroglobulinemia and chronic graft-versus-host disease. The win for AbbVie is also significant considering the heat the company has faced recently for the patent thickets it has built around its blockbuster drugs. AbbVie has applied for 165 patents for Imbruvica, 88 of which the company has won. More than half of the applications were filed after the drug gained its initial FDA approval. The nine-plus years of protection will bring estimated spending on the drug at more than \$41 billion, says I-MAK.” [Fierce Pharma, [8/31/21](#)]

### **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