

White House Announces First 10 Drugs Selected for Medicare Price Negotiation

The days of Americans paying far more for prescription drugs are ending, said President Biden.

August 29, 2023 By Liz Highleyman

On August 29, the Department of Health and Human Services (DHHS) made a long-awaited announcement about the first 10 drugs selected for Medicare price negotiations. Medicare provides health coverage for people ages 65 and older. Seniors paid \$3.4 billion in out-of-pocket costs for these drugs in 2022, according to a [White House fact sheet](#). However, the negotiated prices will not go into effect until 2026.

“For far too long, Americans have paid more for prescription drugs than any major economy. And while the pharmaceutical industry makes record profits, millions of Americans are forced to choose between paying for medications they need to live or paying for food, rent and other basic necessities,” President Joe Biden [said in a statement](#). “Those days are ending.”

No senior should have to overpay for life-saving drugs to pad Big Pharma’s pockets.

My Administration is announcing the first 10 Medicare Part D drugs selected for price negotiation.

We’re ending the days of deciding between buying your medicine or putting food on the table.

pic.twitter.com/oEMkaXAJWb

— President Biden (@POTUS) [August 29, 2023](#)

Most of the selected medications are used to treat diabetes, heart disease or autoimmune conditions. There is one cancer drug on the list, Imbruvica (ibrutinib), for the treatment of certain types of leukemia and lymphoma, as well as chronic graft-versus-host disease. No HIV or viral hepatitis drugs are included. ([See the list of drugs and their indications here](#)).

DHHS also [released a report](#) showing that 9 million Medicare Part D enrollees used the drugs selected for negotiation, at an average out-of-pocket cost of up to \$6,497 per person in 2022 for those without additional financial assistance.

In most other wealthy countries, national health systems can negotiate with pharmaceutical companies for lower prices, but this has been forbidden in the United States. The change was included as part of Biden's Inflation Reduction Act, passed in August 2022. Today's action comes on top of a previous initiative to reduce the price of insulin to \$35 for Medicare recipients.

Negotiations on the first 10 drugs will start later this year, and the agreed-upon prices will go into effect in 2026, the White House said. Over the next four years, Medicare will negotiate prices for up to 60 drugs covered under Medicare Part D and Part B and up to an additional 20 drugs every year after that. In addition, people on Medicare will see a further decline in prescription drug costs as more provisions of the Inflation Reduction Act go into effect. For example, Part D enrollees will no longer pay 5% co-insurance once they reach the "catastrophic" phase of their coverage starting in 2024.

The pharmaceutical industry [has long opposed drug price negotiations](#), arguing that lower returns would curb investment in the development of new therapies.

"Big Pharma has long fought this progress," according to the White House fact sheet. "Their profits grew as they spent [more on stock buybacks and dividends](#) than they spent on research and development, even as nearly [three in 10](#) Americans struggle to afford their medications because of cost."

"This plan is a key part of Bidenomics, my economic vision for growing the economy from the middle out and the bottom up—not the top down. And it's working. That's why Big Pharma has already filed eight lawsuits against my administration, and spent nearly \$400 million last year to try to stop our progress," Biden said.

"Let me be clear: I am not backing down. There is no reason why Americans should be forced to pay more than any developed nation for lifesaving prescriptions just to pad Big Pharma's pockets," he continued. "For many Americans, the cost of one drug is the difference between life and death, dignity and dependence, hope and fear. That is why we will continue the fight to lower health care costs—and we will not stop until we finish the job."

