

# Inflation Reduction Act Negotiations: Qualitative Insights from 25 Part D Drug Price Negotiations

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## BACKGROUND

- Policy Foundation**  
The Medicare Drug Price Negotiation Program (Inflation Reduction Act of 2022), aims to reduce drug costs and improve Medicare sustainability.
- Negotiation Authority**  
Medicare can directly negotiate prices for high-expenditure, single-source drugs without generic or biosimilar competition.
- Spending and Savings Impact**  
Selected drugs accounted for 20% of total Part D spending in 2023, with projected Medicare savings of \$6 billion.
- Beneficiary and System Value**  
The IRA expands Medicare benefits, out-of-pocket prescription drug cost cap, promotes affordability, stakeholder engagement, and program sustainability.
- Study focus**  
Evaluated price reductions, market impact, and beneficiary savings to assess broader Medicare implications.

## OBJECTIVES

Generate insights into IRA drug price negotiations spanning both oncological and non-oncological drugs.

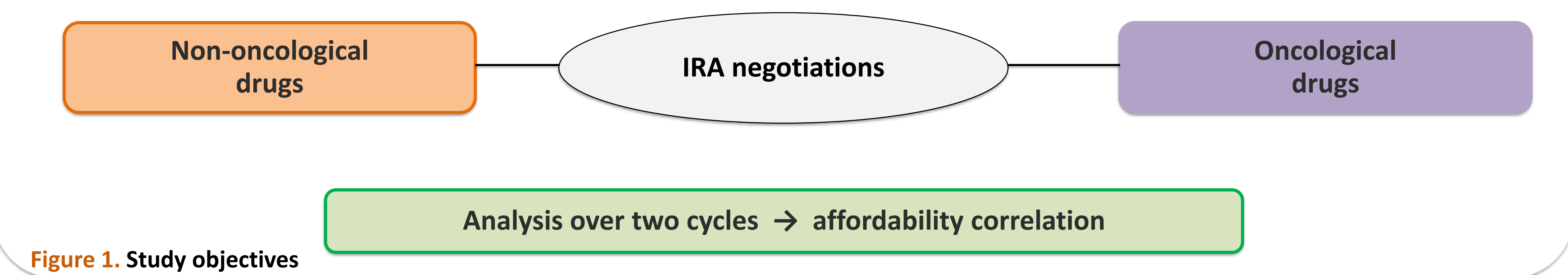


Figure 1. Study objectives

## METHODS

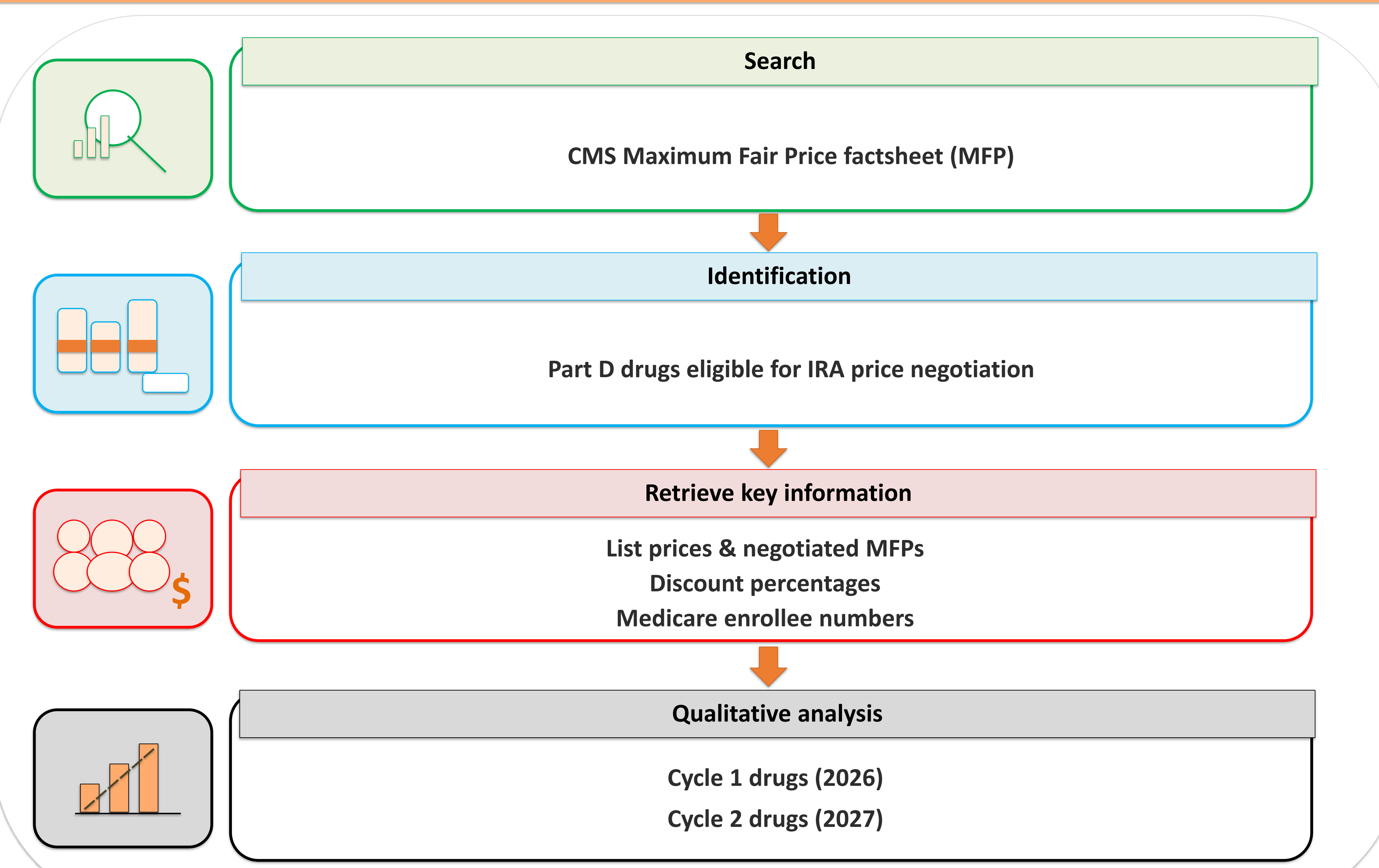


Figure 2. Overview of study methodology

## RESULTS

<b>25</b> Drugs negotiated across two cycles (2026–2027)	<b>10</b> Cycle 1 drugs: 9 non-oncology, 1 oncology	<b>15</b> Cycle 2 drugs: 11 non-oncology, 4 oncology	<b>23K–3.9M</b> non-oncology Medicare enrollee range
<b>14K–35K</b> Oncology Medicare enrollee range	<b>18/25</b> Non-oncology drugs received >50% IRA-negotiated discounts	<b>2/5</b> Oncology drugs had discount rates >50%	<b>Potential Scale Effect</b> Larger Medicare enrollees might be correlated with higher discounts

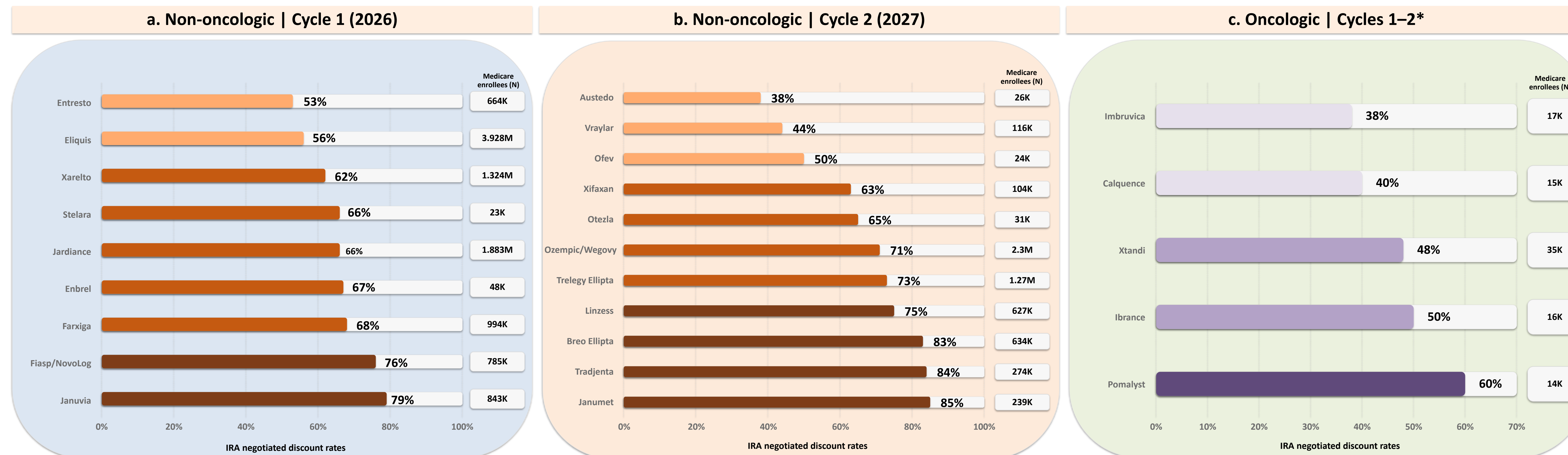


Figure 3a & b. IRA negotiated discount rates and Medicare enrollee numbers for non-oncologic drugs (cycle 1; 2026 and cycle 2; 2027); (e.g., Januvia, Fiasp/NovoLog; Janumet, Tradjenta, Breo Ellipta)  
Figure 3c. IRA negotiated discount rates and Medicare enrollee numbers for oncologic drugs (cycle 1; 2026 and cycle 2; 2027); (e.g., Imbruvica, Pomalyst)

Across both cycles, non-oncologic drugs demonstrate higher discount rates alongside larger enrollee numbers, while oncologic drugs show lower discount rates with smaller enrollee populations.  
\* Only one oncology drug was evaluated in cycle 1 2026 (Imbruvica); all other oncological drugs from CMS 2027 data (cycle 2) – combined graphical representation

## CONCLUSIONS

- Medicare savings**  
IRA negotiations led to significant savings; larger patient populations, such as non-oncology drugs, saw higher discount rates than oncology drugs with smaller enrollee numbers.
- Broader patient base**  
Non-oncology drugs, especially diabetes and chronic kidney disease drugs, received higher negotiated discounts and contribute to long-term savings.
- Critical oncology role**  
Oncology drugs had more modest discount rates, likely due to critical treatment roles and smaller, specialized patient populations.
- Future focus**  
Future IRA negotiations may continue to focus on drugs with larger enrollee populations to maximize affordability and access for Medicare beneficiaries.

## REFERENCES

CMS fair price document 2026; Centers for Medicare & Medicaid Services. Medicare Drug Price Negotiation Program: Negotiated Prices For Initial Price Applicability year 2026.  
CMS fair price document 2027; Centers for Medicare & Medicaid Services. Medicare Drug Price Negotiation Program: Negotiated Prices For Initial Price Applicability year 2027.

## DISCLOSURES

The authors declare no conflicts of interest and received no external funding for this work. The authors meet the criteria for authorship as recommended by the International Committee of Medical Journal Editors guideline (ICMJE).

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Abbreviations: CLL; Chronic Lymphocytic Leukemia, CMS; Centers for Medicare and Medicaid Services, IRA; Inflation Reduction Act, MCL; Mantle Cell Lymphoma, MFP; CMS fact sheet on negotiated prices, referred to as Maximum Fair Price factsheet