



MEMORANDUM

CMS announces 15 drugs included in the third round of Medicare Drug Price Negotiation program – January 28, 2026

Diabetes-related drug includes Lilly’s GLP-1 RA Trulicity (dulaglutide), whose prices will take effect in 2028; BI/Lilly’s DPP-4 inhibitor Tradjenta pricing to be renegotiated

The Centers for Medicare & Medicaid Services (CMS) just [announced](#) the 15 drugs that will be covered under Medicare Part D in the second cycle of negotiations from the Medicare Drug Price Negotiation Program (MDPNP). The drugs include one diabetes-related product, Lilly’s GLP-1 RA Trulicity (dulaglutide). Negotiated prices of the third round will take effect in 2028.

BI/Lilly’s DPP-4 inhibitor Tradjenta (linagliptin), which was included in the [second round](#) of MDPNP, will also be renegotiated, with the new price to take effect in 2027.

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Medicare expenditures for Trulicity totaled \$4.9 billion in 2024-2025

The [15 drugs](#) selected for the third round of MDPNP^[1] include medications for cancer, autoimmune diseases, asthma, chronic obstructive pulmonary disease (COPD), HIV, psychiatric diseases, and more. Between November 2024 to October 2025, these drugs accounted for \$27 billion (~6%) in total prescription spending under Medicare Part B and Part D and treated 1.8 million beneficiaries. Among these, Lilly’s Trulicity (dulaglutide), GLP-1 RA for T2D, accounted for the highest spending of \$4.9 billion and treated 617,000 patients.

CMS also released a list of [top 50 drugs](#) eligible for negotiation, first 15 of which were selected for third round of MDPNP. This includes BI/Lilly’s Synjardy/Synjardy XR (empagliflozin and metformin for T2D), which totaled \$603 million in total Medicare Part B and Part D expenditure.

Figure 1. Total drug costs and number of Medicare enrollees prescribed between November 2024 to October 2025

Company	Diabetes/Obesity Medications	Total Part D Gross Covered Prescription Drug Costs	Number of Part D enrollees prescribed
Lilly	Trulicity	\$4.9 billion	617,000
BI/Lilly	Synjardy/Synjardy XR	\$603 million	Undisclosed

Source: CMS, Fact Sheet for Medicare Drug Price Negotiation Program: [Selected Drugs for Initial Price Applicability Year 2028](#)

First two rounds of MDPNP lowered prices of GLP-1 RAs, DPP-4 inhibitors, SGLT-2 inhibitors, and insulin by 66-85%

In 2023, CMS said that Part D beneficiaries accrued \$18.9 billion in out-of-pocket costs for all Part D drugs covered. The [Inflation Reduction Act of 2022](#) established MDPNP, which allows Medicare to directly negotiate prices of high-cost drugs covered by Medicare Parts B or D without generic or biosimilar competition. Small molecules are eligible for negotiation after at least seven years on the market post-FDA approval and biologics after at least 11 years post-approval.

In [August 2023](#), CMS announced 10 drugs included in the [first round of MDPNP](#), four of which were diabetes-related: (i) AstraZeneca’s SGLT-2 inhibitor Farxiga; (ii) Merck’s Januvia (sitagliptin); (iii) BI/Lilly’s Jardiance (empagliflozin); and (iv) Novo Nordisk’s rapid-acting insulins NovoLog and Fiasp. Negotiated prices were announced in [August 2024](#), with discounts ranging from 66-79%.

CMS announced the next 15 drugs included in the [second round of MDPNP](#) in [January 2025](#), including three of which that were diabetes- or obesity-related: Novo Nordisk’s Ozempic (semaglutide for T2D), Wegovy (semaglutide for obesity), and Rybelsus (oral semaglutide); BI/Lilly’s Tradjenta (linagliptin); and Merck’s Janumet (sitagliptin and metformin) and Janumet XR (sitagliptin and extended-release metformin). The negotiated discounts announced in [November 2025](#) ranged from 71-85%. See the full table in the appendix.

Drug prices were also negotiated under Most-Favored-Nation policy

Separately, the US government is negotiating drug prices under the Most-Favored Nation policy. In [May 2025](#), the Trump Administration signed an executive order requiring pharmaceutical companies to align drug prices in the US with those in other developed nations. The executive order was first issued on a voluntary basis, with reinforcement planned if progress was not made.

In [November 2025](#), the White House announced an agreement to offer GLP-1 RAs (Mounjaro, Zepbound, Ozempic, and Wegovy) at \$245 per month through Medicare and Medicaid, for which beneficiaries will have a co-pay of \$50 per month. State Medicaid programs will be able to access these medications at the same price. The new price changes are expected to take effect by mid-2026. These drugs will also be sold at discounted prices on [TrumpRx](#), the government’s direct-to-consumer platform, starting in 2026. Wegovy and Wegovy pill will be sold at \$350 and \$150 per month, respectively, while Zepbound and orforglipron (upon approval) will be priced at \$346 per month.

Pharmaceutical companies [continue](#) to enter Most-Favored-Nation agreements with the government – lowering drug costs for insulin, DPP-4 inhibitors, PCSK-9 inhibitors, and more. See appendix below.

Close Concerns’ Questions

1. How much would the MDPNP negotiations affect out-of-pocket costs for Medicare beneficiaries?
2. How will CMS and pharmaceutical companies price drugs that have been negotiated through both MDPNP and Most-Favored Nation policy? For example, Ozempic and Wegovy are set to cost [\\$350 per month](#) starting in 2027 under MDPNP, while MFN pricing sets the drugs at [\\$245 per month](#). Which will take precedence?
3. How does the government anticipate protecting negotiated drug prices amid [lawsuits](#) filed by pharmaceutical companies?

-- by Kat Moon, Monica Oxenreiter, and Kelly Close

Appendix

Table 1: Negotiated Prices for Diabetes and Obesity Medications

Diabetes Medications	Class	Negotiated Monthly List Price	Original List Price for 30-Day Supply	Percent Discount from List Price
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<u>First round</u> of MDPNP (Effective January 1, 2026)				
<u>Farxiga</u>	SGLT-2 inhibitor	\$179	\$556	68%
<u>Fiasp / NovoLog</u>	Rapid-acting insulin	\$119	\$495	76%
<u>Januvia</u>	DPP-4 inhibitor	\$113	\$527	79%
<u>Jardiance</u>	SGLT-2 inhibitor	\$197	\$573	66%
<u>Second round</u> of MDPNP (Effective January 1, 2027)				
<u>Ozempic, Rybelsus, Wegovy</u>	GLP-1 RA	\$274	\$955	71%
<u>Tradjenta</u>	DPP-4 inhibitor	\$78	\$488	84%
<u>Janumet, Janumet XR</u>	DPP-4 inhibitor / biguanide	\$80	\$526	85%
Most-Favored Nation Pricing for <u>Medicaid/Medicare</u> (Effective mid-2026)				
<u>Ozempic, Wegovy</u>	GLP-1 RA	\$245 (co-pay of \$50)	\$1,000 and \$1,350, respectively	75% and 81%, respectively
<u>Mounjaro, Zepbound</u>	GLP-1/GIP RA	\$245 (co-pay of \$50)	\$1,080 and \$1,086, respectively	77%
<u>NovoLog</u>	Rapid-acting insulin	\$35	~\$140	75%
<u>Tresiba</u>	Long-acting insulin	\$35	\$508	93%
<u>Trulicity</u>	GLP-1 RA	\$389	\$987	61%
Most-Favored Nation Pricing for <u>TrumpRx</u> (Launch expected in January 2026)				
<u>Ozempic, Wegovy</u>	GLP-1 RA	\$350	\$1,000 and \$1,350, respectively	65% and 74%, respectively
<u>Wegovy pill</u>	Oral GLP-1 RA	\$150	N/A	N/A
<u>Zepbound</u>	GLP-1/GIP RA	\$346	\$1,086	68%
<u>Orforglipron (upon approval)</u>	Oral GLP-1 RA	\$346	N/A	N/A
<u>Repatha</u>	PCSK-9 inhibitor	\$239	\$573	58%
<u>Jentadueto</u>	DPP-4 inhibitor/ metformin	\$55	\$525	90%
<u>Januvia</u>	DPP-4 inhibitor	\$100	\$330	70%
<u>Sanofi's insulins</u>	insulin	\$35	\$100-\$500	65-93%

[1] The 15 drugs include (i) Trulicity for T2D; (ii) Biktarvy for HIV; (iii) Orencia for psoriatic and rheumatoid arthritis; (iv) Cosentyx for plaque psoriasis or psoriatic arthritis; (v) Erleada for prostate cancer; (vi) Kisqali for breast cancer; (vii) Entyvio for Crohn's disease; (viii) Verzenio for breast cancer; (ix) Botox and Botox Cosmetic; (x) Lenvima for cancer; (xi) Xolair for asthma; (xii) Rexulti for major depressive disorder; (xiii) Xeljanz for psoriatic arthritis; (xiv) Anoro Ellipta for COPD; and (xv) Cimzia for Crohn's disease.