



MEMORANDUM

CMS announces negotiated prices for 15 drugs in the second round of Medicare Drug Price Negotiation Program, including semaglutide – November 25, 2025

Prices to take effect beginning of 2027; discounts from 2024 list prices for Ozempic, Wegovy, Rybelsus, Tradjenta, Janumet, and Janumet XD range from 71% to 85%

In the United States, the Centers for Medicare and Medicaid Services (CMS) [announced](#) significant price discounts for the next 15 drugs included in the Medicare Drug Price Negotiation Program (MDPNP), which will become effective on January 1, 2027. (Medicare is a government insurance program for older people and those with disabilities; Medicaid is the program for lower income people). As background, MDPNP was established by the [Inflation Reduction Act of 2022](#), which requires that CMS negotiates prices with drug manufacturers for brand-name drugs without generic or biosimilar competition that are covered by Medicare Parts B or D. Today’s round of drugs includes six diabetes medications: (i) Ozempic; (ii) Wegovy; (iii) Rybelsus; (iv) Tradjenta; (v) Janumet; and (vi) Janumet XD. These six drugs will see discounts of 71% to 85% of “list” price. **This is a significant benefit for millions of US patients.**

Savings on the 15 drugs is estimated to total \$12 billion annually, with negotiated list price discounts ranging from 38% to 85%. **CMS projected that out-of-pocket (OOP) savings for Medicare Part D beneficiaries would total \$685 million across the selected drugs,** with OOP costs for the 15 medications totaling \$1.7 billion in 2024.

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Six more diabetes medications see discounts, reflecting negotiated list price discounts of 71%-85%

Six of the 15 medications included in the second cycle of the MDPNP (see below) are indicated for diabetes or obesity, representing \$16.6 billion in total Part D gross covered prescription drug costs (assuming “list” prices) or 41% of the total costs of 15 medications. The six medications included all of Novo Nordisk’s injected and oral semaglutide products (Ozempic, Wegovy, and Rybelsus) as well as Boehringer Ingelheim’s Tradjenta and Merck’s Janumet and Janumet XR.

Semaglutide products were among the highest contributors to Part D prescription costs in 2024, totaling \$14.4 billion (35% of total costs). The three products will experience a 71% cut to their list prices beginning January 1, 2027, dropping from ~\$950 per month in 2024 to \$274. **However, the new price may be applied differently across dosage forms and strengths.** For example, for three commonly used forms and doses of semaglutide, the prices will be:

- \$276.78 per package for a 4 mg/3mL Ozempic pen;
- \$276.78 per 7 mg, 30-tablet package of Rybelsus; and
- \$385.63 per 2.4 mg/0.75 mL, four-pen package of Wegovy.

Meanwhile, Boehringer Ingelheim’s Tradjenta, which is indicated for T2D, will see an 84% cut to its list price for the nearly 275,000 users on Medicare Part D, dropping from \$488 monthly in 2024 to \$78 monthly. Merck’s Janumet and Janumet XR for T2D will also see an 85% cut to their list price for the nearly 240,000 users on Medicare Part D. CMS indicated that it will offer explanations for the agreed-upon negotiated prices for these therapies by March 2026.

The negotiated price reductions announced today are steeper than most finalized by the [first five diabetes medications](#) in the first round of the MDPNP (Farxiga, Fiasp/NovoLog, Januvia, and Jardiance). Those five therapies will see discounts of 66% to 79% compared to their monthly list prices in 2023 beginning January 1, 2026.

Table 1: Negotiated Prices for Diabetes Medications

Diabetes Medications	Class	Negotiated Monthly List Price	List Price for 30-Day Supply in 2024	Percent Discount from 2024 List Price	Total Part D Gross Covered Prescription Drug Costs in 2024	Medicare Part D Enrollees Who Used the Drug in 2024
Ozempic , Rybelsus , Wegovy	GLP-1 RA	\$274	\$955	71%	\$15.2 billion	2.28 million
Tradjenta	DPP-4 inhibitor	\$78	\$488	84%	\$1.13 billion	274,000
Janumet , Janumet XR	DPP-4 inhibitor / biguanide	\$80	\$526	85%	\$1.07 billion	239,000

Source: CMS, Fact Sheet for [Medicare Drug Price Negotiation Program: Negotiated Prices for Initial Price Applicability Year 2027](#)

Negotiated prices represents culmination of months of negotiations between CMS and drug manufacturers

As in the [first cycle](#), the price negotiations in the second cycle involve several offers and counter-offers to determine the maximum fair price (MFP). Participating drug companies and the public were asked to submit data and information on the selected drugs through March 1, 2025, with subsequent meetings with the CMS throughout the spring. Initial offers were sent to participating companies by June 1, 2025, with a 30-day response period for acceptance or a counteroffer. Up to three negotiation rounds for those issuing counteroffers were held until November 1, 2025.

MDPNP negotiations join Most-Favored-Nation list price reductions for Medicare and Medicaid beneficiaries on GLP-1 RAs

Earlier this month, the White House [announced](#) that it had reached an agreement with Novo Nordisk and Lilly to offer Ozempic, Wegovy, Mounjaro, and Zepbound to Medicare users for \$245 per month. State Medicaid programs will also have access to these medications at the same prices. Medicare beneficiaries will pay a co-pay of \$50 per month. The announced prices are expected to take effect by mid-2026 for Medicare and on a state-by-state basis for Medicaid. Beyond Medicare and Medicaid, the TrumpRx direct-to-consumer platform will allow patients to purchase Ozempic and Wegovy for \$350, compared to current list prices of \$1,000 and \$1,350 per month, respectively.

Timeline for future drug price negotiations

The MDPNP will expand to include 15 additional Parts B and D drugs in 2028 and an additional 20 Parts B and D drugs for 2029 and following years. Drugs selected for the MDPNP will continue to be announced in February two years before to when the negotiated prices will take effect (i.e., drugs included in the MDPNP in 2028 will be announced in February 2026). Price negotiations will occur in the months following this announcement, and the negotiated prices will be published before the end of the year in which the drugs were initially announced for negotiations (i.e., the end of 2026 for drugs whose negotiated prices will take effect in 2028).

By year-end, CMS is expected to release its final guidance for the next cycle of negotiations, including new policies on renegotiation of existing agreements and policies for Part B drugs. In the spring of next year, CMS will also begin to construct rules for future years of the MDPNP.

Close Concerns' Questions

1. Will CMS use much of the same criteria from the first two rounds of MDPNP selection when choosing the medications for the next cycle of negotiations?
2. How many pharmaceutical companies that have already concluded negotiations with CMS would be interested in entering renegotiations?
3. How might the implementation of these discounted prices affect demand for the selected drugs?

--by Jeremy Alkire, Monica Oxenreiter, and Kelly Close