



PHARMACYCHECKER PRICE REPORT // OCTOBER 2023

MEDICARE SHOULD SET SIGHTS ON CANADA IN DRUG PRICE NEGOTIATIONS

The U.S. Department of Health and Human Services (HHS), through the Centers for Medicare & Medicaid Services (CMS), has announced the first 10 drugs covered under Medicare Part D selected for negotiated pricing to go into effect in 2026.

This PharmacyChecker report suggests price targets that Medicare should consider in its negotiation, comparing Medicare 2021 per dosage spending with the per unit prices of drugs available for purchase at Canadian pharmacies.

In consideration of the hundreds of millions of Americans who will not benefit from the drug pricing provisions in the IRA, those not on Medicare and without adequate prescription drug coverage, PharmacyChecker compares average out-of-pocket U.S. retail prices - in conjunction

with a discount coupon - with prices obtained via mail-order international pharmacies accredited through the PharmacyChecker International Pharmacy Verification Program.

The report also considers these patients' options when it comes to obtaining affordable refrigerated drug products on the list, which are not available for international shipment due to inadequate delivery times according to the PharmacyChecker International Pharmacy Refrigerated Medications Policy.

Lastly, in line with its ongoing research about where drugs are made, PharmacyChecker identifies the manufacturing origin of those drugs.

Key Findings

Medicare Negotiation Pricing Considerations For Eligible Medications

- Average Medicare Part D prices per dosage unit in 2021 were 353.72% of prices listed by mail-order pharmacies located in Canada in 2023.

International Price Comparisons For Americans Who Lack Adequate Prescription Drug Coverage

- Seven of the ten drugs selected for initial Medicare price negotiations are accessible at international online pharmacies accredited in the PharmacyChecker International Pharmacy Verification Program.
- Average U.S. retail pharmacy out-of-pocket prices - in conjunction with a discount coupon - were 386.32% of the lowest prices of prescription drugs sold by PharmacyChecker-accredited Canadian pharmacies; and 1801.56% of prices of prescription drugs shipped from PharmacyChecker-accredited pharmacies located in Canada, Australia, India, Mauritius, New Zealand, Turkey, and the UK.

Manufacturing Origin of Ten Drugs Selected for Medicare Negotiated Pricing in 2026

- Eighty (80%) out of the ten drugs selected for Medicare negotiation have manufacturing origins in foreign countries.
- One drug, Imbruvica, had labeling indicating manufacturing in China.

Which drugs are eligible and how were they selected?

The drugs eligible for 2026 negotiations are those with the highest spending in Medicare Part D from June 2022 through May 2023. And, because the [IRA prioritizes generic/biosimilar competition](#) as a means to lower drug prices, negotiation is only permitted for the highest-spend, single-source medications in Part B or Part D that have been on the market for many years (9 years for small-molecule drugs; 13 for biologics). The selected drugs and their manufacturers are as follows:

1. [Eliquis](#) - made by Bristol-Myers Squibb
2. [Jardiance](#) - made by Boehringer Ingelheim
3. [Xarelto](#) - made by Johnson & Johnson
4. [Januvia](#) - made by Merck
5. [Farxiga](#) - made by AstraZeneca
6. [Entresto](#) - made by Novartis
7. [Enbrel](#) - made by Amgen
8. [Imbruvica](#) - made by AbbVie
9. [Stelara](#) - made by Janssen
10. [Fiasp](#); [Fiasp FlexTouch](#); [Fiasp PenFill](#) - made by Novo Nordisk
11. [NovoLog](#); [NovoLog FlexPen](#); [NovoLog PenFill](#) - made by Novo Nordisk



The Congressional Budget Office estimates that price negotiations will save the federal government \$101.7 billion over the next decade. A study published in [Health Affairs](#) suggested that the impact of negotiation may extend beyond the small number of selected drugs because many brand-name drugs have in-class competitors – conservatively estimating an additional savings of \$7.8 billion.

Will negotiated pricing hold up?

Various [pharmaceutical giants](#) – and their lobbyist group henchmen – are fighting back, threatening to derail negotiations with a series of lawsuits against HHS. Despite their cries that the Biden Administration is pushing policy more akin to price controls than negotiations, [AstraZeneca](#) along with [Bristol Myers Squibb](#), [Merck](#), and [Boehringer Ingelheim](#) have all signaled they plan to enter into negotiations with CMS. Johnson & Johnson, Novartis, and Amgen dragged their feet but [ultimately have said yes](#) to negotiating as well. A September 2023 analysis in the [Journal of the American Medical Association](#) predicts that the myriad suits will inevitably result in a review before the Supreme Court, concluding that the “Supreme Court would be usurping Congress’ legislative power to solve problems of vital social importance if it strikes down drug price negotiations.”

It’s important to note that other government entities, including the Veterans Administration and Medicaid, already negotiate drug prices.

What is the right negotiated price for eligible drugs in Medicare?

Given Medicare enrollment in the United States sits at double the population of Canada, PharmacyChecker believes [Medicare’s negotiation power should yield](#) pricing similar to, if not better than, the retail drug prices we see at Canadian pharmacies.

PharmacyChecker compared Canadian 2023 retail and Medicare 2021 spending prices. Medicare Part D spending on the ten eligible drugs was 353.72% of the retail prices offered at Canadian pharmacies. Medicare could save 66.30% by paying the Canadian retail price for the first 10 drugs covered under Medicare Part D selected for negotiated pricing to go into effect in 2026.

We do not know what the final price will be because CMS treats information on a drug’s nonfederal average manufacturing price (non-FAMP) as proprietary, meaning it is not publicly available. The 2026 “maximum fair price” is [calculated](#) as a percentage of a drug’s non-FAMP in 2021 or the first full year following its market entry, along with a percentage increase in the consumer price index. On June 30, 2023, CMS issued [revised guidance](#) detailing the requirements and parameters of the Medicare Drug Price Negotiation Program, which will occur during 2023 and 2024 and will result in prices that will go into effect in 2026.





Price Comparison of drugs covered under Medicare Part D selected for negotiated pricing (2021) and Canadian Mail Order Pharmacies, 2023

Drug Name	Total Part D Gross Covered Prescription Drug Costs	Number of Medicare Part D Enrollees Who Used the Drug	Total Part D Coverage per Enrollee June 2022-May 2023	Medicare Spend Per Dosage Unit 2021	Canadian Mail Order Price per unit	Medicare Savings
Eliquis	\$16,482,621,000	3,706,000	\$4,447.55	\$8.51	\$2.21	74.03%
Jardiance	\$7,057,707,000	1,573,000	\$4,486.78	\$18.61	\$3.49	81.25%
Xarelto	\$6,031,393,000	1,337,000	\$4,511.14	\$16.40	\$3.72	77.32%
Januvia	\$4,087,081,000	869,000	\$4,703.20	\$16.86	\$4.35	74.20%
Farxiga	\$3,268,329,000	799,000	\$4,090.52	\$18.19	\$3.72	79.54%
Entresto	\$2,884,877,000	587,000	\$4,914.61	\$9.96	\$4.57	54.13%
Imbruvica	\$2,663,560,000	20,000	\$133,178.00	\$426.88	\$115.05	73.05%
Stelara*	\$2,638,929,000	22,000	\$119,951.32	\$12,117.61	\$5,318.07	56.11%
Enbrel*	\$2,791,105,000	48,000	\$58,148.02	\$1,466.53	\$289.56	80.26%
Fiasp*	\$2,576,586,000	777,000	\$3,316.07	\$29.64	\$18.00	39.28%
Novolog*	\$2,576,586,000	777,000	\$3,316.07	\$29.78	\$17.81	40.19%
					Average savings:	66.30%

PharmacyChecker Research October 2023. Drug prices are per unit.

Drug sample based on Centers for Medicare & Medicaid Services [announcement](#) of the first 10 drugs covered under Medicare Part D selected for negotiated pricing to go into effect in 2026.

Canadian Pharmacy Prices as published on PharmacyChecker.com.

*Canadian prices for refrigerated products as published on PocketPills.com.

Medicare Spend per dosage unit based on Weighted Average Medicare Spend Per Dosage Unit 2021 prices as published by the U.S. Centers for Medicare & Medicaid Services.

How do patients who don't have Medicare coverage save?

Certainly tackling Medicare spending is a worthy pursuit, but the drug price crisis in the United States extends far beyond it. Drug prices affect drug adherence – meaning people do not follow their intended prescription if they can't afford the price tag. A [Kaiser Family Foundation](#) poll found that three in ten adults did not take their medicines as prescribed at some point in the past year because of the cost – including one in five who reported they did not fill the prescription at all or decided to take an over-the-counter option instead. Twelve percent said they rationed their prescription by cutting pills or skipping doses altogether. A [Commonwealth Fund](#) survey found that even those patients who are technically insured are effectively underinsured:

"Among people who were insured all year in private health plans, 29 percent of those with coverage through an employer and 44 percent with individual market or marketplace coverage were underinsured. This means that their coverage wasn't enough to enable affordable access to health care: either because their reported out-of-pocket costs, excluding premiums, and/or deductibles were high relative to their income"

So what can these underinsured people do? There are a few things PharmacyChecker always advises when discussing savings options with a patient:

1. Discuss price barriers with your doctor. They may have free samples you can take to offset costs. They may know of an equally effective drug that costs less than your initial prescription. They may have information about discount cards or programs in your community that could help you procure your medication for a steep discount or even free.
2. Depending on your income, you may be eligible for patient assistance programs that are specific to your prescribed medication. If you think you may qualify for a [PAP](#), we suggest you visit [NeedyMeds.org](#), a non-profit organization that has up-to-date information on available programs.
3. We suggest comparing costs for your medication on [PharmacyChecker.com](#), which includes a comparison of your drug's prices in your area in conjunction with a U.S. discount coupon with prices offered by international mail-order pharmacies. PharmacyChecker inspects [international online pharmacies](#) for safety before listing their prices on its website.

International Price Comparisons For Americans Not Enrolled in Medicare, Who Lack Adequate Prescription Drug Coverage

Of the seven drugs available for international mail order through pharmacies accredited and monitored through the PharmacyChecker Verification Program, average U.S. pharmacy coupon prices were 386.32% the Canadian price and 1801.56% prices listed by international pharmacies located in Australia, India, Mauritius, New Zealand, Turkey, and the UK.

Drug Price Comparison Between U.S. Retail, Canadian Mail Order, and Other International Mail Order Pharmacies, 2023

Drug Name	Strength	Average US Coupon Price	Canadian Mail Order Price	International Mail Order Price	Canadian Savings	International Savings
Eliquis	5mg	\$9.00	\$2.21	\$0.57	75.44%	93.67%
Jardiance	25mg	\$19.04	\$3.49	\$0.72	81.67%	96.22%
Xarelto	20mg	\$17.41	\$3.72	\$0.89	78.63%	94.89%
Januvia	100mg	\$17.56	\$4.35	\$0.56	75.23%	96.81%
Farxiga	10mg	\$18.14	\$3.72	\$0.81	79.49%	95.53%
Entresto	24/26mg	\$10.71	\$4.57	\$1.22	57.33%	88.61%
Imbruvica	140mg	\$181.54	\$115.05	\$101.85	36.63%	43.90%
				Average savings:	69.20%	87.09%

PharmacyChecker Research October 2023. Drug prices are per unit. Drug sample based on those available for international mail order of the first 10 drugs covered under Medicare Part D selected for negotiated pricing to go into effect in 2026. Average U.S. Coupon, Canadian Mail Order, and International Prices as published for comparison on PharmacyChecker.com.

Savings Options for Refrigerated Medications

In our commitment to patient safety, PharmacyChecker maintains high standards for the international shipment of products requiring refrigeration. To best guarantee safe shipment, pharmacies in the PharmacyChecker Verification Program must ensure that shipments of Enbrel, Stelara, Novolog, Fiasp, and other refrigerated products are not exposed to temperatures below 2 degrees or above 8 degrees Celsius. That requires speedy delivery times. At this time, no Canadian or other international online pharmacies meet this standard. Below, we've included a short list of potential savings options for patients prescribed the refrigerated products Medicare has selected for negotiation.

Enbrel Savings

- [Enbrel Co-pay Card](#)
- [Compare Enbrel discount coupon prices on PharmacyChecker.com](#)

Stelara Savings

- [Stelara Savings Program](#) (for commercial or privately insured patients only)
- [Compare Stelara discount coupon prices on PharmacyChecker.com](#)



Novolog Savings

- [Novo Nordisk Patient Assistance Program](#)
- [MyNovoInsulin Savings Card](#)
- [Compare Novolog discount coupon prices on PharmacyChecker.com](#)
- Consider [Novolin](#) or [ReliOn Novolog](#), which are private-label analogs to Novolog

Fiasp Savings

- [Novo Nordisk Patient Assistance Program](#)
- [Fiasp Savings Card](#)
- [Compare Fiasp discount coupon prices on PharmacyChecker.com](#)

Talk to your doctor about [insulin aspart](#) as a lower-cost alternative to brand-name insulins. View the latest on insulin affordability programs on the [American Association for Clinical Endocrinology website](#) and also the [American Diabetes Association website](#).

Manufacturing Origin of Top Spend Medicare Drugs

This PharmacyChecker report shows that drug companies manufacture 80% of the drugs on which Medicare spends the most outside of the United States.

The healthcare system in the United States spends twice as much per capita on prescription drugs as [other high-income nations](#). Why is that? For one, other countries intentionally set up the necessary [regulatory interventions](#) specifically to control runaway pharmaceutical company greed. In the United States, global pharmaceutical companies themselves have been allowed to set prices based on what they believe the market will bear. That may be fine for products that aren't so vital as lifesaving medications: pharmaceutical giants - and [pernicious middlemen](#) - are essentially asking the American people to choose between their money or their lives.

PharmacyChecker continues to highlight drug manufacturing origins to illustrate the global nature of the pharmaceutical supply chain on which the U.S. heavily relies - and the egregious pricing Americans face for the exact same medication compared to those patients that live elsewhere. For example, a drug may be made and sold in Germany for \$0.57 a pill, but then imported to the United States at a 1000% markup.

Imbruvica (ibrutinib), a blood cancer drug used by [20,000 Medicare enrollees](#) in the past year, has labeling that clearly states it is a "Product of China." This language "product of" indicates that the active pharmaceutical ingredient is manufactured in China, per labeling requirements by the Tariff Act enforced by the United States Customs and Border Protection. An [Abbvie representative](#) said on a phone call with PharmacyChecker that "the manufacturing, testing, packaging [of Imbruvica] is done across multiple locations in the USA." This, paired with the inclusion of the U.S. address on Imbruvica's drug label, led PharmacyChecker to conclude that the final drug product could be finished in the United States before distribution.

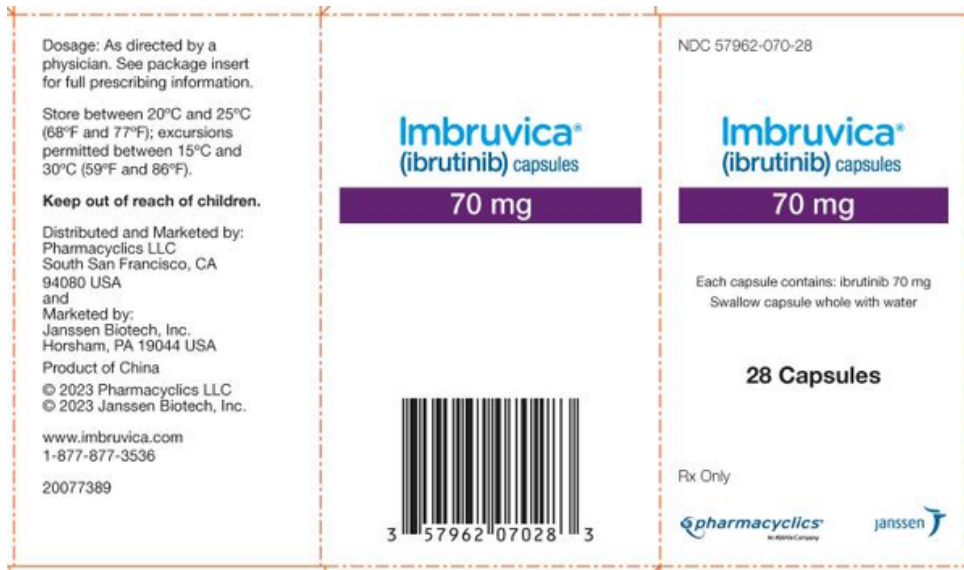


Image of Imbruvica label via the National Library of Medicine

Two product labels, for Enbrel and Stelara, included a U.S. address in addition to a mention of a foreign country, which likely indicates that the products were finished in the United States with either an active ingredient or applicator manufactured abroad, per the Tariff Act.

Manufacturing Locations of drugs covered under Medicare Part D selected for negotiated pricing, 2023

Drug Name	Manufacturer Name	Manufacturing Locations
Eliquis	BMS Primarycare (Bristol-Myers Squibb)	Switzerland; Ireland; Puerto Rico
Jardiance	Boehringer Ing.	Italy
Xarelto	Janssen Pharm. (Johnson & Johnson)	Germany
Januvia	Merck Sharp & D	Italy; UK
Farxiga	AstraZeneca	Sweden; Switzerland
Entresto	Novartis	Singapore
Enbrel	Amgen	USA (California); Germany
Imbruvica	Pharmacyclics (AbbVie)	China
Stelara	Janssen Biotech	USA (Pennsylvania); Netherlands
Fiasp and Novolog	Novo Nordisk	USA (New Jersey)

PharmacyChecker Research 2023. Sources: Country of manufacture determined through the [National Library of Medicine](#) and FDA Labeling Package Insert drug information. Drug sample based on Centers for Medicare & Medicaid Services [announcement](#) of the first 10 drugs covered under Medicare Part D selected for negotiated pricing to go into effect in 2026.