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# Here We Go Again: Third Round of Inflation Reduction Act Drugs Listed

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Pursuant to the Inflation Reduction Act (the "IRA"), the Secretary of Health and Human Services ("HHS") and the Center for Medicare & Medicaid Services ("CMS") have begun the annual process of negotiating with pharmaceutical companies regarding the price of certain drugs covered under Medicare Part D and Part B in an attempt to reduce drug prices. This marks the third time that CMS has considered Medicare Part D drugs and the first time for Medicare Part B drugs.

On January 27, 2026, CMS identified the following 15 drugs for negotiation, with negotiations ending by November 1, 2026, and price applicability effective on January 1, 2028:

| Drug Name | Category | Total Medicare Part B and Part D Prescription Drug Expenditures from Nov. 2024-Oct. 2025 |
|---|---|---|
| Trulicity | Biologic | $4,898,378,000 |
| Biktarvy | Small-molecule | $3,904,486,000 |
| Orencia | Biologic | $2,450,065,000 |

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|---|---|---|
| Cosentyx | Biologic | $2,327,442,000 |
| Erleada | Small-molecule | $1,947,504,000 |
| Kisqali | Small-molecule | $1,578,679,000 |
| Entyvio | Biologic | $1,483,348,000 |
| Verzenio | Small-molecule | $1,428,714,000 |
| Botox; Botox Cosmetic | Biologic | $1,143,070,000 |
| Lenvima | Small-molecule | $1,088,498,000 |
| Xolair | Biologic | $1,077,271,000 |
| Rexulti | Small-molecule | $1,075,274,000 |
| Xeljanz; Xeljanz XR | Small-molecule | $1,013,332,000 |
| Anoro Ellipta | Small-molecule | $812,772,000 |
| Cimzia | Biologic | $786,790,000 |

As previously discussed, CMS chooses this set from a list of fifty drugs payable under each of Medicare Part B and Part D. For eligible small molecule drugs, seven years must have passed since FDA approval, while for eligible biologics, eleven years must have passed since FDA approval. Should a generic or biosimilar drug be approved or licensed and placed on the market, then the brand drug is removed from CMS's consideration. Certain other factors, such as orphan drug status and potential biosimilar competition, are also considered by CMS when preparing its narrowed-down list of 15 drugs with the highest total Medicare Part D and/or Part B expenditures.

There is a concern that the lower prices imposed by the IRA could disincentivize generic/biosimilar development, ultimately resulting in net higher drug costs to consumers in all markets over time. Absent the IRA, generic/biosimilar competition tends to reduce drug prices. But with the IRA, and CMS's negotiated lower prices on certain drugs, the cost of these brand-name drugs will decrease, which could effectively raise the barrier for generic entry. The impact of CMS's efforts compared to generic/biosimilar competition should be monitored closely.

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