CMS Finalizes Plan for Next Medicare Drug Price Negotiation Cycle



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Earlier this month, the Centers for Medicare & Medicaid Services (CMS) released final guidance on the process for the second cycle of negotiations under the Medicare Drug Price Negotiation Program. CMS had previously set prices for the first ten drugs covered under the Program, to be effective starting January 1, 2026, marking the beginning of CMS's efforts to reduce drug costs for Medicare beneficiaries. CMS will announce the selection of up to fifteen additional drugs covered by Part D for the second cycle of negotiations by February 1, 2025. This second cycle of negotiations with participating drug companies will occur during 2025, and any negotiated prices for this second set of drugs will be effective starting January 1, 2027. The guidance also outlines requirements and parameters for how participating drug companies must ensure that eligible beneficiaries with Medicare prescription drug coverage will have access to the negotiated prices for 2026 and 2027, including procedures that apply to participating drug companies, Medicare Part D plans, pharmacies, mail order services, and other entities that dispense drugs covered under Medicare Part D.

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