

Medicare Negotiations for Lower Drug Prices Explained: *Farxiga*

Thanks to President Biden and Democrats in Congress, Medicare is currently negotiating lower prices for the first 10 drugs selected for the Negotiation Program, and will negotiate lower prices for more drugs each year. By 2030, up to 80 drugs will have lower negotiated prices. One of the first ten drugs [selected for negotiation](#) is Farxiga, a drug used to treat diabetes, heart failure, and chronic kidney disease, manufactured by AstraZeneca. Farxiga has made billions of dollars in revenue, and big drug companies like AstraZeneca are eager to protect their sky-high profits by blocking the Medicare Negotiation so they can continue to charge patients unaffordable prices.

Hundreds of Thousands of Medicare Beneficiaries Rely on Farxiga.

- [Nearly 640,000](#) Medicare Part D beneficiaries rely on Farxiga as of 2022 – [1.2 percent of Medicare Part D enrollees](#)
- Beneficiaries who are not enrolled in the Extra Help program pay an average of [\\$260](#) annually for Farxiga

Farxiga Costs Taxpayers Billions.

- Farxiga has cost Medicare [nearly \\$6 billion](#) as of 2022 – an average of \$4,046 per beneficiary taking Farxiga

AstraZeneca Price Gouges Americans for Farxiga.

- Farxiga costs significantly more in the U.S. than in other high-income countries. For example, AstraZeneca charges U.S. customers around [7x more](#) than customers in Switzerland, and nearly 15x more to U.S. customers than to customers in Australia.
- Farxiga has increased in price by [54 percent](#) since its launch in [2014](#).



AstraZeneca Rakes In Profits While Rewarding Shareholders and Lobbying.

- Farxiga has generated [\\$19.3 billion](#) in global revenue since its launch
- AstraZeneca has spent [\\$34.9 million](#) on lobbying since launching Farxiga

Table 1: Farxiga By The Numbers.

Farxiga Quick Facts	
Years on U.S. Market Since Approval	10
Farxiga List Price Increase Since Launch	54 percent
Global Revenue Since Farxiga’s Launch	\$19.3 billion
Lobbying Since Farxiga’s Launch	\$34.9 million

Farxiga Is Disproportionately Taken by Medicare Enrollees of Color. Relative to their proportion in the population enrolled in Medicare Part D:

- **The [proportion](#) of Asian American, Native Hawaiian, and Pacific Islander beneficiaries taking Farxiga is 1.62 times higher.** Asian Americans are [40 percent](#) more likely to be diagnosed with diabetes, [1.6 times more likely](#) to be diagnosed with end-stage renal disease related to diabetes, and rates of heart disease are [rising faster](#) for most Asian Americans when compared to their White counterparts. Native Hawaiians/Pacific Islanders are also [2.5 times](#) more likely to be diagnosed with diabetes and [2.5 times](#) more likely to die from diabetes compared to their White counterparts.
- **The [proportion](#) of Black enrollees taking Farxiga is 1.5 times higher.** Black Americans are 60 percent more likely to be diagnosed with diabetes and twice as likely to die from the disease, [more than three times as likely](#) to be diagnosed with end-stage renal disease related to diabetes, and [30 percent more likely](#) to die from heart disease when compared to their White counterparts.
- **The [proportion](#) of Latino enrollees taking Farxiga is 1.39 times higher.** Latinos are 70 percent more likely to be diagnosed with diabetes, 1.3 times more likely to die from diabetes, and [twice as likely](#) to be hospitalized for treatment of end-stage renal disease related to diabetes when compared to their non-Hispanic White counterparts.

Table 2: Farxiga Is Disproportionately Taken by Medicare Enrollees of Color

Race/Ethnicity	Medicare Part D Pop.	Farxiga Population	Difference
Black	11 percent	16 percent	1.5 times higher
Latino	10 percent	14 percent	1.39 times higher
Asian American, Native Hawaiian, and Pacific Islander	4 percent	6 percent	1.62 times higher

Farxiga Is Most Expensive In Rural States Like North Dakota. The ten drugs selected for price negotiation by Medicare, with few exceptions, are most expensive in heavily rural states. Farxiga costs Medicare Part D beneficiaries residing in North Dakota, South Dakota, and Wyoming the most out-of-pocket.

Table 3: States with the Highest Out-of-Pocket Costs for Medicare Part D Enrollees Taking Farxiga

State	Average Out-of-Pocket Costs for Farxiga By State	Difference From National Average*	Rurality
North Dakota	\$606	2.33 times higher	39 percent of residents live in rural areas
South Dakota	\$537	2.07 times higher	42.8 percent of residents live in rural areas
Wyoming	\$453	1.74 times higher	38 percent of residents live in rural areas

*Medicare Part D beneficiaries not in the Extra Help program pay an average of [\\$260](#) annually for Farxiga

AstraZeneca Has A Long History of Jacking Up Prices and Exploiting Patents for Farxiga:

- [Bloomberg Law](#): AstraZeneca Sues Sun to Block Copies of Three Diabetes Drugs.**
 “AstraZeneca PLC filed three lawsuits seeking to block Sun Pharmaceutical Industries Ltd.’s proposed copies of its Farxiga, Qtern, and Xigduo XR diabetes treatments, alleging each infringes a patent that won’t expire until October 2025.” [Bloomberg Law, [12/5/23](#)]
- [The British Medical Journal](#): Type 1 Diabetes Drug Was Withdrawn Because Of A “Commercial Conflict Of Interest,” Charity Argues.** “Pharmaceutical company AstraZeneca has withdrawn the type 1 diabetes indication for its drug dapagliflozin because of fears that required changes to the product label would cause confusion among doctors when prescribing it for other conditions. [...] But the Juvenile Diabetes Research Foundation (JDRF), a non-profit organisation that funds type 1 diabetes research, said AstraZeneca’s actions were driven by a ‘commercial conflict of interest,’ as other larger patient groups had been prioritised at the expense of those with type 1 diabetes. [...] JDRF has also warned that the move could have wider implications, as it sets a precedent by which a commercially driven drug company can remove access to a drug without any scrutiny of potential conflict of interests or cross-sector consultation.” [The BMJ, [2/14/22](#)]
- [Accountable.US](#): Drug Company Suing Against Biden Medicare Rx Cost-Saving Effort Enjoyed \$1.37 Billion in Profits in Q3.** “On the heels of a series of lawsuits led by AstraZeneca, PhRMA, and their industry peers to block implementation of the Inflation Reduction Act’s Medicare Drug Price Negotiation Program, pharmaceutical giant AstraZeneca saw profits

double over the last nine months, with today's quarterly earnings of \$1.37 billion beating Wall Street expectations. [...] AstraZeneca's sky-high earnings come as 3-in-10 Americans say they cannot afford life saving medicine. While drug companies claim that high prices are necessary to fund research and development, and that Medicare's new power will force drugmakers to reduce spending on research, Accountable.US has previously found that the five-biggest U.S.-based pharmaceutical companies' \$112 billion in research and development spending from 2019 through 2021 had been outpaced by the \$125 billion they spent on stock buybacks and dividends over the same period. Based on their own earnings reports, it's clear these price hikes are just a way to extract more money from patients in need and redistribute it to wealthy shareholders.“
[Accountable.US, [11/9/23](#)]

Additional Resources

- [Protect Our Care](#): Big Drug Companies Continue To Bring In Hundreds of Billions While Americans Struggle To Afford Skyrocketing Prices
- [Protect Our Care](#): Fact Sheet: American Seniors Will Save As Medicare Negotiates Lower Drug Costs
- [Protect Our Care](#): Big Drug Companies Are in Court to Stop Medicare Negotiation and Protect Their Sky-High Profits
- [Protect Our Care](#): FACT SHEET: How Medicare's New Drug Price Negotiation Power Will Advance Health Equity
- [Protect Our Care](#): By the Numbers: The Ten Costly Drugs That Are Now Eligible to Have Lower Prices Negotiated by Medicare