

Medicare Negotiations for Lower Drug Prices Explained: *Imbruvica*

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 Imbruvica, a drug used to treat blood cancers, manufactured by AbbVie and Johnson & Johnson. Imbruvica has made billions of dollars in revenue, and big drug companies like AbbVie and Johnson & Johnson are eager to protect their sky-high profits by blocking the Medicare Negotiation so they can continue to charge patients unaffordable prices.

Tens of Thousands of Medicare Beneficiaries Rely on Imbruvica.

- [Over 20,000](#) Medicare Part D beneficiaries rely on Imbruvica as of 2022 – [<1 percent of Medicare Part D enrollees](#).
- Beneficiaries who are not enrolled in the Extra Help program pay an average of [\\$5,247](#) annually for Imbruvica.

Imbruvica Costs Taxpayers Billions.

- Imbruvica has cost Medicare [over \\$14.3 billion](#) as of 2022 – an average of \$128,548 per beneficiary taking Imbruvica.

AbbVie and Johnson & Johnson Price Gouge Americans for Imbruvica.

- Imbruvica costs significantly more in the U.S. than in other high-income countries. For example, AbbVie and Johnson & Johnson charge U.S. customers [around 1.5x](#) more than customers in Switzerland, and more than 5x more to U.S. customers than to customers in Australia.
- Imbruvica has increased in price by [108 percent](#) since its launch in [2013](#).



AbbVie and Johnson & Johnson Rake In Profits While Rewarding Shareholders and Lobbying.

- Imbruvica has generated [a combined \\$57.6 billion](#) in global revenue since its launch.
- AbbVie and Johnson & Johnson have spent [a combined \\$91.2 billion](#) on stock buybacks for their investors since launching Imbruvica.
- AbbVie and Johnson & Johnson have spent [a combined \\$135.5 million](#) on lobbying since launching Imbruvica.

Table 1: Imbruvica By The Numbers.

Imbruvica Quick Facts	
Years on U.S. Market Since Approval	11
Imbruvica List Price Increase Since Launch	108 percent
Global Revenue Since Imbruvica’s Launch	a combined \$57.6 billion
Lobbying Since Imbruvica’s Launch	a combined \$135.5 million
Stock Buybacks Since Imbruvica’s Launch	a combined \$91.2 billion

Imbruvica 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. Imbruvica costs Medicare Part D beneficiaries residing in North Dakota, Utah, and Nebraska the most out-of-pocket.

Table 2: States with the Highest Out-of-Pocket Costs for Medicare Part D Enrollees Taking Imbruvica

State	Average Out-of-Pocket Costs for Imbruvica By State	Difference From National Average*	Rurality
North Dakota	\$8,237	1.57 times higher	39 percent of residents live in rural areas
Utah	\$8,179	1.56 times higher	10.2 percent of residents live in rural areas
Nebraska	\$7,527	1.43 times higher	27 percent of residents live in rural areas

*Medicare Part D beneficiaries not in the Extra Help program pay an average of [\\$5,247](#) annually for Imbruvica

AbbVie and Johnson & Johnson Have A Long History of Jacking Up Prices and Exploiting Patents for Imbruvica:

- **[Fierce Pharma: AbbVie, Already Famous For Its Humira Strategy, Forms Another ‘Patent Wall’ Around Imbruvica: Report.](#)** “AbbVie grew Humira into the world’s bestselling medicine in part through price hikes and an aggressive patenting strategy to defend against competition. The company is now deploying similar tactics to bolster Imbruvica, a cancer drug

with numerous uses and big sales, experts concluded in a new report. AbbVie has filed for 165 patents on Imbruvica, and officials have granted 88 of them, the Initiative for Medicines, Access & Knowledge reports. The company's add-on patents have earned AbbVie another nine years of patent protections for a total of 29 years of commercial exclusivity, according to the group. AbbVie filed 55% of Imbruvica's patent applications after FDA approval, the report said. Because Imbruvica generates more than \$4.5 billion per year for AbbVie, I-MAK estimates the added patent life will cost payers \$41 billion or more." [Fierce Pharma, [7/21/20](#)]

- **[Fierce Pharma: AbbVie's Imbruvica Patent Win Sets Up Solid Growth Path After Humira's Decline: Analyst.](#)** "In a recent SEC filing, AbbVie said that 'no generic entry for any Imbruvica product is expected prior to March 30, 2032,' thanks to prior settlements with generic makers. [...] Last year Imbruvica generated sales of \$5.3 billion for AbbVie and \$4.1 billion for development partner Johnson & Johnson. Launched in 2013, Imbruvica has received 11 approvals in six disease areas including lymphoma. It also is the lone drug to treat Waldenstrom macroglobulinemia and chronic graft-versus-host disease. The win for AbbVie is also significant considering the heat the company has faced recently for the patent thickets it has built around its blockbuster drugs. AbbVie has applied for 165 patents for Imbruvica, 88 of which the company has won. More than half of the applications were filed after the drug gained its initial FDA approval. The nine-plus years of protection will bring estimated spending on the drug at more than \$41 billion, says I-MAK." [Fierce Pharma, [8/31/21](#)]

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](#)