

Medicare Negotiations for Lower Drug Prices Explained: *Xarelto*

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

Over One Million of Medicare Beneficiaries Rely on Xarelto.

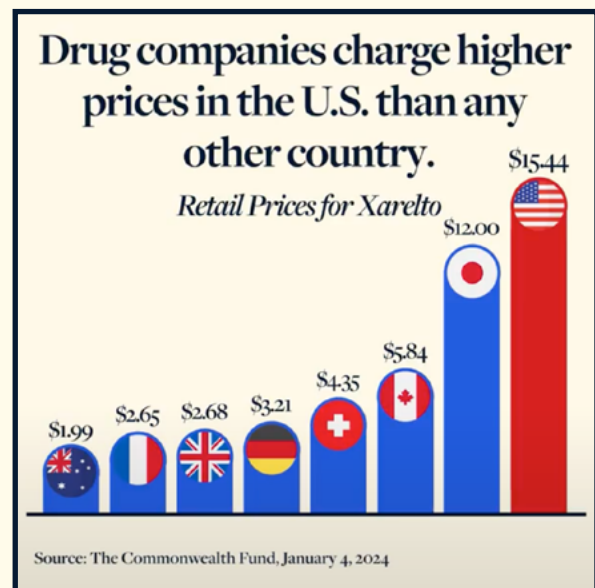
- [More than 1.3 million](#) Medicare Part D beneficiaries rely on Xarelto as of 2022 – [around 2.5 percent of Medicare Part D enrollees](#).
- Beneficiaries who are not enrolled in the Extra Help program pay an average of [\\$451](#) annually for Xarelto.

Xarelto Costs Taxpayers Billions.

- Xarelto has cost Medicare [over \\$30.9 billion](#) as of 2022 – an average of \$4,402 per beneficiary taking Xarelto.

Johnson & Johnson and Bayer Price Gouge Americans for Xarelto.

- Xarelto costs significantly more in the U.S. than in other high-income countries. For example, Johnson & Johnson and Bayer charge U.S. customers [around 1.3x](#) more than customers in Japan, and nearly 8x more to U.S. customers than to customers in Australia.
- Xarelto has increased in price by [168 percent](#) since its launch in [2011](#).



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

- Xarelto has generated [a combined \\$63.9 billion](#) in global revenue since its launch.
- Johnson & Johnson and Bayer have spent [a combined \\$54.8 billion](#) on stock buybacks for their investors since launching Xarelto.
- Johnson & Johnson and Bayer have spent [a combined \\$182.2 million](#) on lobbying since launching Xarelto.

Table 1: Xarelto By The Numbers.

Xarelto Quick Facts	
Years on U.S. Market Since Approval	13
Xarelto List Price Increase Since Launch	168 percent
Global Revenue Since Xarelto’s Launch	\$63.9 billion
Lobbying Since Xarelto’s Launch	\$182.2 million
Stock Buybacks Since Xarelto’s Launch	\$54.8 billion

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

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

State	Average Out-of-Pocket Costs for Xarelto By State	Difference From National Average*	Rurality
North Dakota	\$816	1.81 times higher	39 percent of residents live in rural areas
South Dakota	\$748	1.66 times higher	42.8 percent of residents live in rural areas
Nebraska	\$666	1.48 times higher	27 percent of residents live in rural areas

*Medicare Part D beneficiaries not in the Extra Help program pay an average of [\\$451](#) annually for Xarelto

Johnson & Johnson and Bayer Have A Long History of Jacking Up Prices and Exploiting Patents for Xarelto:

- [Healthcare Finance News: Price Of Two Expensive Drugs Has Cost Medicare Part D \\$46 Billion Since 2015.](#) “Eliquis and Xarelto, two blood-thinning medications that are already among Medicare’s costliest, have seen their list prices more than double since entering the market, finds a new report by Patients for Affordable Drugs. [...] Both Eliquis and Xarelto

carried a price of more than \$200 for a month's supply, a marked increase from the \$10 for the cost of a month's supply of warfarin. The sticker shock doesn't stop there, however. The prices of both drugs have risen every year, far outpacing the rate of inflation. As of January 2022, the prices of a month's supply of Eliquis and Xarelto are \$529 and \$516, respectively. [...] In 2020 [Xarelto] was the world's 10th highest-selling drug, and the price is 10 times higher in the U.S. than in other countries. It was the third costliest drug for Medicare in 2020, with 1.1 million Medicare Part D beneficiaries taking it that year. Since 2015, Medicare Part D has spent more than \$46 billion on the two drugs, according to the report." [Healthcare Finance News, [4/7/22](#)]

- **[Law360](#): Bayer, Janssen Sue Taro Over Xarelto Generic.** "Pharmaceutical companies Bayer and Janssen have accused rival Taro of infringing a patent covering a drug that prevents major cardiovascular events, expanding a fight over whether Taro's generic version would violate their right to market exclusivity to Delaware federal court." [Law360, [10/27/23](#)]
- **[Law Street Media](#): Bayer, Janssen Pharmaceuticals Sue Mylan for Patent Infringement of Xarelto.** "On Friday, Bayer Pharma AG, Bayer AG and Janssen Pharmaceuticals, Inc. filed a complaint in the Northern District of West Virginia against Mylan Pharmaceuticals Inc. and Mylan Inc. alleging patent infringement on the plaintiffs' Xarelto product." [Law Street Media, [8/9/22](#)]

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