

Medicare Negotiations for Lower Drug Prices Explained: Fiasp/NovoLog

Thanks to the Biden-Harris administration and Democrats in Congress, Medicare now has the power to negotiate lower prescription drug prices. Negotiations have concluded for the first 10 drugs selected for negotiation, and in the first year alone these lower prices will save people on Medicare \$1.5 billion in out-of-pocket costs and save taxpayers \$6 billion. These savings negotiated with drug companies go back into Medicare to provide better benefits for seniors like a \$35 monthly cap on insulin and a \$2,000 annual out-of-pocket maximum. By 2030, up to 80 drugs will have lower negotiated prices.

One of the first ten drugs [selected for negotiation](#) is Fiasp/NovoLog, a drug used to treat diabetes, manufactured by Novo Nordisk. Thanks to the Biden-Harris administration, the price Novo Nordisk charges for the drug will drop from [\\$495](#) to a maximum of [\\$119](#) for a 30-day supply, a \$376 or 76 percent price decrease. Fiasp/NovoLog has made billions of dollars in revenue, and big drug companies like Novo Nordisk are eager to protect their sky-high profits by blocking the Medicare Negotiation so they can continue to charge patients unaffordable prices.

The Hundreds of Thousands of People on Medicare Who Rely on Fiasp/NovoLog Will Save Thousands.

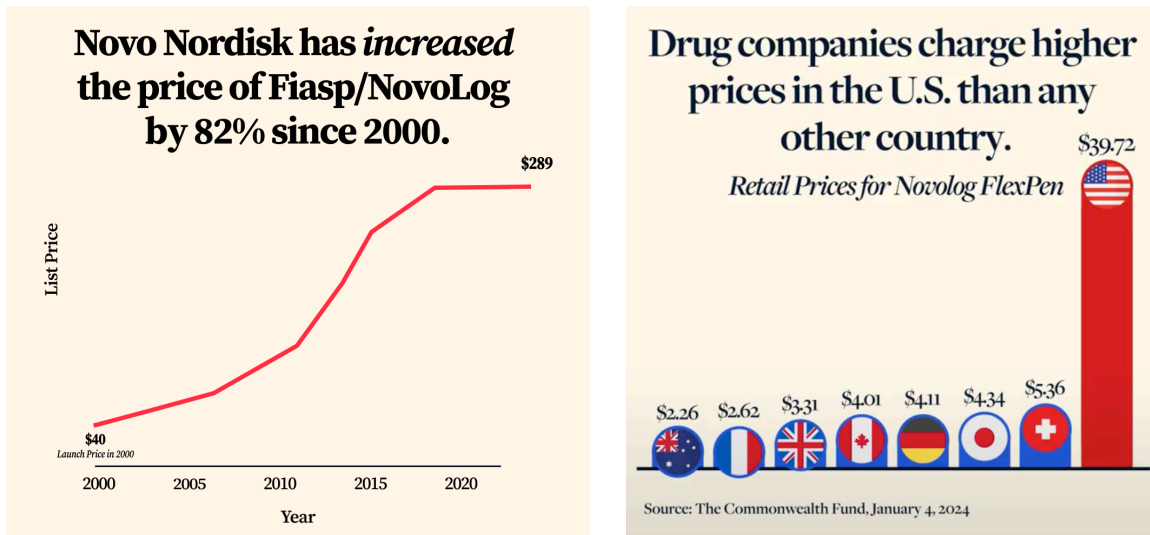
- [785,000](#) people enrolled in Medicare Part D rely on Fiasp/NovoLog as of 2023 – 1.2 percent of people on Medicare Part D.

Fiasp/NovoLog Costs Taxpayers Billions.

- Fiasp/NovoLog has cost Medicare a cumulative [\\$29.9 billion](#) – an average of \$3,328 per person taking Fiasp/NovoLog in 2023.
- If the negotiated prices had been in effect during 2023, Medicare would have saved an estimated [\\$295 million](#).

Novo Nordisk Price Gouges Americans for Fiasp/NovoLog.

- Fiasp/NovoLog costs significantly more in the U.S. than in other high-income countries. For example, Novo Nordisk charges U.S. customers [more than 7x](#) more than customers in Switzerland, and [17.5x](#) more to U.S. customers than to customers in Australia.
- According to Analysource, Fiasp/NovoLog has increased in price by 82 percent since its launch in [2000](#).
- Starting in 2026, Novo Nordisk cannot charge seniors more than [\\$119](#) for a 30-day supply of the drug.



Novo Nordisk Rakes In Profits While Rewarding Shareholders and Lobbying.

- Fiasp/NovoLog has generated [\\$45 billion](#) in global revenue since its launch.
- Novo Nordisk has spent [over \\$38 billion](#) on stock buybacks for their investors since launching Fiasp/NovoLog.
- Novo Nordisk has spent [\\$57.5 million](#) on lobbying since launching Fiasp/NovoLog.

Table 1: Fiasp/NovoLog By The Numbers.

Fiasp/NovoLog Quick Facts	
Years on U.S. Market Since Approval	25
Fiasp/NovoLog List Price Increase Since Launch	82 percent
Global Revenue Since Fiasp/NovoLog’s Launch	\$45 billion
Lobbying Since Fiasp/NovoLog’s Launch	\$57.5 million
Stock Buybacks Since Fiasp/NovoLog’s Launch	\$38 billion
Negotiated Savings (for a 30-day supply)	\$376
Negotiated Price Discount	76 percent

Fiasp/NovoLog Is Disproportionately Taken by People of Color Enrolled In Medicare. Relative to their proportion in the population enrolled in Medicare Part D:

- The **proportion** of American Indians and Alaska Natives on Medicare taking Fiasp/NovoLog is 3.33 times higher. American Indian and Alaska Native adults are [almost three times more likely](#) to be diagnosed with diabetes and [2.3 times more likely](#) to die from diabetes. American Indian and Alaska Natives on Medicare diagnosed with diabetes seek Emergency care [more than twice as often](#) as their white counterparts.
- The **proportion** of Black Americans on Medicare taking Fiasp/NovoLog is 1.59 times higher. Black Americans are [60 percent more likely](#) to be diagnosed with diabetes and [twice as likely](#) to die from the disease when compared to their white counterparts. Black Americans are [2.5 times as likely](#) to be hospitalized for complications of diabetes and have [nearly three times](#) higher rates of emergency department visits for the disease than their white counterparts.
- The **proportion** of Latinos on Medicare taking Fiasp/NovoLog is 1.09 times higher. Latinos are [70 percent](#) more likely to be diagnosed with diabetes and [1.3 times](#) more likely to die from diabetes when compared to their non-Hispanic white counterparts. Latinos are more likely to have [higher levels](#) of disability-related diabetes compared to their non-Hispanic white counterparts.

Table 2: Fiasp/NovoLog Is Disproportionately Taken by People of Color on Medicare

Race/Ethnicity	Medicare Part D Pop.	Fiasp/NovoLog Population	Difference
Black	11 percent	17 percent	1.59 times higher
Latino	10 percent	11 percent	1.09 times higher
American Indian and Alaska Native	0.3 percent	1 percent	3.33 times higher

Fiasp/NovoLog 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. Fiasp/NovoLog costs people enrolled in Medicare Part D who reside in North Dakota, Iowa, and Nebraska the most out-of-pocket.

Table 3: States with the Highest Out-of-Pocket Costs for People Enrolled in Medicare Part D Taking Fiasp/NovoLog

State	Average Out-of-Pocket Costs for Fiasp/NovoLog By State	Difference From National Average*	Rurality
North Dakota	\$251	2.07 times higher	39 percent of residents live in rural areas

Iowa	\$246	2.03 times higher	36.8 percent of residents live in rural areas
Nebraska	\$202	1.67 times higher	27 percent of residents live in rural areas

*People enrolled in Medicare Part D not in the Extra Help program pay an average of [\\$121](#) annually for Fiasp/NovoLog

Novo Nordisk Has A Long History of Jacking Up Prices and Exploiting Patents for Fiasp/NovoLog:

- [Health Affairs](#): Counting On Insulin Manufacturers To Do The Right Thing Is Not A Good Policy Prescription To Avert Shortages.** “Patients in the United States are also being forced to change insulin treatment regimens in response to an unexpected discontinuation by Novo Nordisk. [...] Historically, Novo Nordisk has aggressively defended insulin delivery device patents, taking Sanofi to court in 2007 over the infringement of a patent on ‘an injection device for injection of set doses of medicine from a cartridge.’ [...] [I]f Novo Nordisk had intended to ensure continuity for patients using insulin detemir as it leaves the market, it should have made promises to not enforce intellectual property years ago, ideally accompanied with technology transfer to facilitate swift market entry. [...] Novo Nordisk’s sudden and unexpected exit from two significant insulin markets is set within a wider backdrop of diabetes treatment shortages.” [Health Affairs, [7/12/24](#)]
- [Lab Manager](#): Drug Manufacturers Use FDA, Patent Strategies to Keep Insulin Prices High.** “The researchers found that protection on insulin was enhanced by patents obtained after FDA approval, which lengthened expected market exclusivity by a median of six years. Moreover, many patents were on the insulin delivery devices rather than the drugs themselves. In two-thirds of drug-device combinations, the device patents were the last to expire; these last-to-expire device patents extended protection for a median of 5.2 years. Overall, manufacturers secured a median of 16 years of protection on their insulin products through patents and exclusivities, surpassing the median of 14 years observed in other studies of top-selling small-molecule drugs. The insulin lines with the longest periods of expected protection from the first product approved to last-to-expire patent was Lantus (32.9 years), followed by Novolog (32.3 years) and Novolog 70/30 (30.9 years).” [Lab Manager, [11/17/23](#)]
- [ZME Science](#): Why Is Insulin So Outrageously Expensive In The United States?** “Only three pharmaceutical giants – Novo Nordisk, Sanofi-Aventis, and Eli Lilly – produce and control 90% of the global insulin supply. Basically, these big three control the market. They also tend to mirror each other’s prices. Usually, when a drug has been on the

market for decades, its patent expires, which means any manufacturer can produce a generic version that should drive the prices down by a high margin. But this expectation falls apart in the case of insulin – if anything, the reverse is true. Part of the reason for this is something called ‘evergreening’, the practice involving various techniques to extend the protection of a drug and block competition that might lead to price reductions. Oftentimes, this means simply making an incremental improvement to the insulin product, thereby resetting the patent’s length by decades.” [ZME Science, [2/22/23](#)]

- **[The Intercept: Biden Administration Adds Insulin to Drug Price Negotiation List in Major Blow to Big Pharma.](#)** “The IRA was passed in the face of one of the heftiest barrages of lobbying in congressional history, with the pharmaceutical industry spending more than \$700 million over 2021 and 2022 – several times more than the second- and third-ranking industries – much of it aimed at stopping the legislation, watering it down, or undermining its implementation. [...] ‘This was an unexpected victory in a long fight against an illegal cartel of three corporations who have raised their insulin prices in lockstep,’ said Alex Lawson, executive director of Social Security Works, referring to Eli Lilly, Novo Nordisk, and Sanofi. [...] Joe Biden’s insulin category covers a wide variety of products, including Fiasp, Fiasp FlexTouch, and Fiasp PenFill – rapid-acting insulin products – as well as commonly prescribed insulin products NovoLog, NovoLog FlexPen, and NovoLog PenFill.” [The Intercept, [8/29/23](#)]

Additional Resources

- [Protect Our Care](#): NEW REPORT: Big Drug Companies Continue to Put Profits Over People
- [Protect Our Care](#): GREED WATCH: Eight Big Drug Companies That Rip Off Patients Announce Nearly \$100 Billion in Revenue and Over \$15 Billion in Dividends and Stock Buybacks
- [Protect Our Care](#): NEW REPORT: In 2023, Greedy Drug Companies Raked in \$684 Billion and Spent \$106 Billion Rewarding Shareholders
- [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