

Medicare Negotiations for Lower Drug Prices Explained: Stelara

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 Stelara, a drug used to treat psoriasis, psoriatic arthritis, Crohn's disease, and ulcerative colitis, manufactured by Johnson & Johnson's Janssen Pharmaceuticals. Thanks to the Biden-Harris administration, the price drug companies charge for Stelara will drop from [\\$13,836](#) to a maximum of [\\$4,695](#) for a 30-day supply, a \$9,141 or 66 percent price decrease. Stelara has made billions of dollars in revenue, and big drug companies like Johnson & Johnson are eager to protect their sky-high profits by blocking the Medicare Negotiation so they can continue to charge patients unaffordable prices.

The Tens of Thousands of People on Medicare Who Rely on Stelara Will Save Thousands.

- [23,000](#) Medicare Part D beneficiaries rely on Stelara as of 2023.

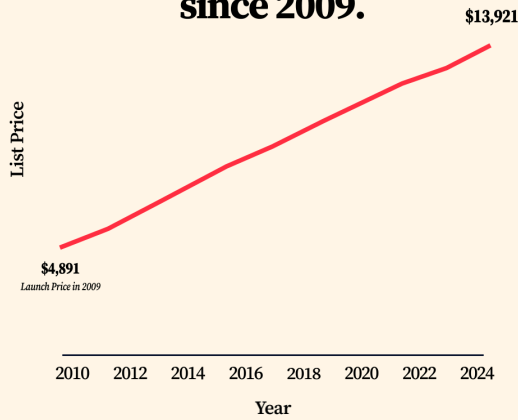
Stelara Costs Taxpayers Billions.

- Stelara has cost Medicare a cumulative [\\$10.6 billion](#) – an average of \$129,937 per person taking Stelara in 2023.
- If the negotiated prices had been in effect during 2023, Medicare would have saved an estimated [\\$210 million](#).

Johnson & Johnson Price Gouges Americans for Stelara.

- Stelara costs significantly more in the U.S. than in other high-income countries. For example, Johnson & Johnson charges U.S. customers [around 2x](#) more than customers in Germany, and 7.5x more to U.S. customers than to customers in Australia.
- According to Analysource, Stelara has increased in price by nearly 185 percent since its launch in [2009](#)– nearly 4 times [faster](#) than inflation for most prescription drugs and 3.8 times [faster](#) than inflation overall.
- Starting in 2026, Johnson & Johnson cannot charge seniors more than [\\$4,965](#) for a 30-day supply of Stelara.

Johnson & Johnson has *increased* the price of Stelara by 185% since 2009.



Drug companies charge higher prices in the U.S. than any other country.



Johnson & Johnson Rakes In Profits While Rewarding Shareholders and Lobbying.

- Stelara has generated [nearly \\$70 billion](#) in global revenue since its launch.
- Johnson & Johnson has spent [over \\$80 billion](#) on stock buybacks for their investors since launching Stelara.
- Johnson & Johnson has spent just under [\\$100 million](#) on lobbying since launching Stelara.

Table 1: Stelara By The Numbers.

Stelara Quick Facts	
Years on U.S. Market Since Approval	16
Stelara List Price Increase Since Launch	184 percent
Global Revenue Since Stelara’s Launch	\$69.7 billion
Lobbying Since Stelara’s Launch	\$99.3 million
Stock Buybacks Since Stelara’s Launch	\$80+ billion
Negotiated Savings (for a 30-day supply)	\$9,141
Negotiated Price Discount	66 percent

Stelara Is Most Expensive In Rural States Like Nebraska. The ten drugs selected for price negotiation by Medicare, with few exceptions, are most expensive in heavily rural states. Stelara costs people on Medicare Part D residing in Nebraska, Mississippi, and Kansas the most out-of-pocket.

Table 2: States with the Highest Out-of-Pocket Costs for People on Medicare Part D Taking Stelara

State	Average Out-of-Pocket Costs for Stelara By State	Difference From National Average*	Rurality
Nebraska	\$4,466	2.17 times higher	27 percent of residents live in rural areas
Mississippi	\$3,875	1.88 times higher	53.7 percent of residents live in rural areas
Kansas	\$3,513	1.71 times higher	27.7 percent of residents live in rural areas

*People on Medicare Part D not in the Extra Help program pay an average of [\\$2,058](#) annually for Stelara

Johnson & Johnson Has A Long History of Jacking Up Prices, Delaying Competitors, and Exploiting Patents for Stelara:

- Reuters: J&J profit edges past Street view after deals delay Stelara competition.** “A key Stelara patent expired in the United States last year, but J&J struck deals with competitors to delay the launches of their biosimilars until 2025. Amgen ([AMGN.O](#)) will be the first to launch its near-copy, Wezlana, next year. Analysts have said the delay in biosimilar launches would make Stelara [a larger contributor](#) to J&J's 2024 and 2025 sales than previously anticipated.” [Reuters, [1/23/24](#)]
- Pharmaphorum: Lawsuit Claims J&J Illegally Delayed Stelara Biosimilars.** “A lawsuit in the US is accusing Johnson & Johnson of unlawfully delaying the onset of biosimilar competition to its immunology blockbuster Stelara beyond its US patent expiry date. The complaint filed by CareFirst BlueCross BlueShield, one of the largest not-for-profit health plans in the US, alleges that J&J acquired a method-of-use patent ‘by fraud’ to extend patent protection for Stelara (ustekinumab) beyond the expiry date of 25th September 2023. [...] According to court documents, other allegations include that J&J and its Janssen Biotech unit misrepresented facts to the patent examiner, and acquired a biosimilar drugmaker – Momenta Pharma – in 2020 to block the entry of competitors. [...] Stelara was first launched in 2009 as a treatment for psoriasis and has since picked up additional indications in psoriatic arthritis, Crohn’s disease, and ulcerative colitis, building its annual sales to almost \$10 billion in 2022 – about 10% of J&J’s total revenues. Around two-thirds (\$6.4 billion) of that total comes from the US market. If the

lawsuit is successful, it could allow lower-priced biosimilars of Stelara to launch during 2024, potentially saving around a billion dollars in overpayments for US health systems, says the complaint." [Pharmaphorum, [1/1/24](#)]

- **[Reuters: Stelara Patent Deal Puts J&J Back On Path To \\$57 Billion 2025 Revenue Forecast.](#)** "Johnson & Johnson's (JNJ.N), opens new tab legal settlement with Amgen Inc (AMGN.O), opens new tab to delay a biosimilar version of its blockbuster psoriasis treatment Stelara until January 2025 could make the drug a larger contributor to J&J's 2024 and 2025 sales than Wall Street is forecasting. Stelara, introduced in 2009, has been J&J's top-selling drug since 2019, with sales reaching \$9.7 billion in 2022. Its patents begin to expire this year, opening the door to a cheaper biosimilar entering the market, and raising expectations that the company would need to lower the \$13,000 per month price of Stelara. [...] But legal agreements under which rival drugmakers delay market entry to escape lengthy patent litigation have held back their launches, keeping prices high. Analysts currently expect J&J to bring in \$54.5 billion in 2025 pharmaceutical sales on average, and for Stelara sales to fall from \$9.9 billion this year to \$7.5 billion in 2024 after a key U.S. patent expires in September, according to Refinitiv data. Two analysts have estimated \$5.4 billion for Stelara in 2025." [Reuters, [6/5/23](#)]
- **[Reuters: J&J Sues Amgen Over Plan To Sell Drug Similar To Blockbuster Stelara.](#)** "Johnson & Johnson's (JNJ.N), opens new tab Janssen unit has sued Amgen Inc (AMGN.O), opens new tab over its plan to market a drug for ulcerative colitis and other conditions similar to J&J's top-selling Stelara, saying it would infringe two patents in a lawsuit made public on Wednesday. Stelara accounted for \$9.1 billion of J&J's \$52 billion in global drug sales last year. Sales for the first nine months of this year were \$7.3 billion, up 7.9% over the same period last year." [Reuters, [11/30/22](#)]

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