

As manufacturers and other stakeholders look ahead to the next phase of the process, some key insights raise important considerations for therapeutic dynamics, access, and development incentives:

- As expected, four oncology drugs have been selected for IPAY 2027. Protected class status for these products will impact ceiling price calculations relative to current Part D net prices, likely leading to more significant savings with resulting Maximum Fair Prices (MFP).
- Chronic disease treatments (e.g., diabetes, COPD) also continue to dominate the list for Year 2 given the conditions' high prevalence and, accordingly, high drug spending. The selection of these products may cause continued price erosion in chronic disease therapeutic areas. Drugs targeting neurologic diseases (e.g., schizophrenia, bipolar disorder, major depressive disorder, Tardive dyskinesia, Huntington's disease) have also started to comprise a larger share of the selected drug list for similar reasons.
- The selection of a product that also has an indication for the treatment of obesity comes at a time when policymakers are considering expanding Medicare coverage of these treatments and raises interesting considerations. Of note, three brands have been selected together, likely because they have the same active moiety. This approach may indicate how similar products could be selected in future years. It also continues to draw attention to the fact that CMS is selecting products at the active moiety/ingredient level, which has major implications for investment and research and development.
- Three of the IPAY 2027 selected products were also listed as therapeutic alternatives to IPAY 2026 products, based on the recently released [CMS MFP justifications](#). The selection of these products suggests that MFPs for Year 1 drugs could place further downward pressure on MFPs in Year 2.
- Products associated with significant increases in spending since 2022 experienced hastened timing of selection and underscore the dynamic nature of negotiation risk.
- CMS indicates that for Year 2 of the program, four drugs were determined to qualify for the small biotech exception, and no drugs were excluded from selection due to the biosimilar delay.
- CMS anticipates that the patient-focused roundtables and town hall event for the 15 selected drugs will occur in March and April 2025. Additional information is expected next month.

## What's Next

Manufacturers of the 15 selected drugs for IPAY 2027 will have until February 28 to enter into agreements with CMS. Evidence packages, including manufacturer-specific data and evidence about alternative treatments is due to CMS by March 1. Other interested stakeholders must also submit any information on selected drugs and their therapeutic alternatives by this March 1 deadline. The negotiation period will officially run from February 28 to November 1, and CMS is expected to publish the MFPs for IPAY 2027 drugs by November 30, 2025. CMS is required to publish the MFP explanations for the IPAY 2026 products by March 1, 2026, in advance of the MFPs taking effect on January 1, 2027.