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DATE: July 28, 2026

TO: Medicare Advantage & Prescription Drug Plan Sponsors

FROM: Lara Strawbridge, Acting Director
Medicare Drug Rebate and Negotiations Group

SUBJECT: Removal of Xeljanz; Xeljanz XR from the Selected Drug List Effective January 1, 2029

In accordance with section 1192(c)(2) of the Social Security Act (“the Act”) and sections 60.7 and 70 of the Medicare Drug Price Negotiation Program: Final Guidance, Implementation of Sections 1191 – 1198 of the Social Security Act for Initial Price Applicability Year 2028 and Manufacturer Effectuation of the Maximum Fair Price in 2026, 2027, and 2028 (“Final Guidance”), the following selected drug(s) will cease to be a selected drug on January 1, 2029 and no maximum fair price will apply:

- Xeljanz; Xeljanz XR

In accordance with section 70 of the Final Guidance, CMS determined that, for the selected drug(s) listed above, the totality of circumstances reveals that at least one generic drug approved under section 505(j) of the FD&C Act that identifies the selected drug as its listed drug, is being bona fide marketed pursuant to such approval.

In accordance with section 1192(c)(2) of the Act and sections 60.7 and 70 of the Final Guidance, because CMS made this determination between the date that the selected drug list for initial price applicability year 2028 was published and November 1, 2026, the selected drug listed above will remain a selected drug through 2028 and no maximum fair price will apply. The selected drug(s) will cease to be a selected drug on January 1, 2029.

For questions, please contact IRAREbateandNegotiation@cms.hhs.gov.