

Ozempic: Calculations and Analyses Underpinning Potential Upper Payment Limit (UPL) Values

Introduction

Under the Policy Review process Board staff shall perform calculations and analyses to develop potential upper payment limit (UPL) values based on feedback from the Board on the potential frameworks. These calculations and analyses may include appropriate adjustments to ensure that the UPL value reflects all discounts, rebates and price concessions; excludes dispensing and administration fees and direct and indirect remuneration to pharmacies; and includes patient out-of-pocket costs other than costs attributable to dispensing fees. This document sets forth possible ways of calculating a UPL consistent with the frameworks identified by the Board.¹

This document contains staff's recommendation for a proposed UPL amount with a description of the calculation and analyses, and relevant underlying assumptions used in the analysis such as health outcome or threshold (COMAR 14.01.05.06D).

On February 23, 2026, the Board directed staff to develop UPL values based on a single framework—domestic reference pricing based on the Medicare Maximum Fair Price published by the Centers for Medicare and Medicaid Services (CMS).

UPL Values Based on Domestic Referencing Pricing (Including Medicare Maximum Fair Price (MFP))

Calculation of UPL Values:

Under the domestic reference UPL framework, a UPL value may be set using the estimated net cost to other purchasers and payors for the same prescription drug product within the United States, or the net price received by the manufacturer. The negotiated Medicare Maximum Fair Price (MFP) for CY2027 is \$274 for a 30-day supply. Ozempic is an injectable drug. As such, per-unit prices are typically based on the number of milliliters (mL) a patient would need to inject over the course of 30 days. Ozempic has multiple NDCs, each of which require patients to administer a distinct number of milliliters pertaining to a specific strength (active ingredient concentration) and dosage. The table below shows the MFP per 30-day supply and MFP per-unit

¹ Because the calculation of the UPL value is based on Domestic Reference Pricing using the negotiated Medicare Maximum Fair Price (MFP) as a benchmark, the calculation of the UPL value does not include assumptions concerning health outcomes or thresholds.

(mL) for each Ozempic NDC. This information comes from the MFP files published by CMS.² Staff used the ratio of these two prices to determine implied number of units per 30-day supply.

Table 1. MFP Per 30-Day Supply and MPF Per Unit Conversion

National Drug Code (11-Digit)	MFP Per 30 Day	MFP Per Unit	Units Per 30 Day Supply
00169-4130-01	\$274.00	\$92.260313	2.9698576895138
00169-4130-13	\$274.00	\$92.260313	2.9698576895138
00169-4132-12	\$274.00	\$177.828005	1.54081467651847
00169-4136-11	\$274.00	\$92.260313	2.9698576895138
00169-4181-13	\$274.00	\$92.261774	2.96981066069681
00169-4772-11	\$274.00	\$92.224802	2.97100122806444
00169-4772-12	\$274.00	\$92.224802	2.97100122806444

Calculation of Baseline UPL based on Baseline MFP

As seen in the table above, different per-unit MFPs correspond to different NDCs. Because the number of units per 30-day supply varies across NDCs, it is not possible to set both the potential UPL per unit *and* the UPL per 30-day supply to 5-cent increments.

Staff included two different approaches in this document:

- **Rounding at 30-day Supply**- establishes a Baseline UPL per 30-day supply based on the Baseline MFP per 30-day supply. Staff determined this price by rounding up the Baseline MFP per 30-day supply to the nearest 5 cents.
- **Rounding Per Unit UPL**- establishes a Baseline Per Unit UPL by rounding the Baseline MFP Per Unit to the nearest 5 cents.

Limitation on Rounding. In these calculations, staff uses a 5-cent increment to conform with current U.S. Treasury practice. If the calculated amount based on the inflation adjustment is already a multiple of five, no rounding will occur.

For Ozempic, the Baseline UPL reflects the amount that would be paid in 2027 if a UPL were implemented in that year. That is because 2027 is the first year for which an MFP applies. To calculate a Baseline UPL per 30-day supply staff: (1) uses the published Baseline per 30-day supply MFP; and (2) rounds this number up to the nearest 5 cents. This calculation yields **\$274.00** for a 30-day supply across all NDCs. Table 2 below shows what the potential UPLs Per Unit from this approach.

² Selected Drug List and Negotiated Prices, also known as Maximum Fair Prices in Statute (ZIP) (March 16, 2026). <https://www.cms.gov/files/zip/selected-drug-list-negotiated-prices-also-known-maximum-fair-prices-statutezip.zip>
Last Accessed: April 20, 2026.

Table 2: Rounding at the 30-Day Supply

National Drug Code (NDC-11)	Potential UPL Per 30 Day Supply	Potential UPL Per Unit
00169-4130-01	\$274.00	\$92.260313
00169-4130-13	\$274.00	\$92.260313
00169-4132-12	\$274.00	\$177.828005
00169-4136-11	\$274.00	\$92.260313
00169-4181-13	\$274.00	\$92.261774
00169-4772-11	\$274.00	\$92.224802
00169-4772-12	\$274.00	\$92.224802

Alternatively, staff can round up the baseline MFP per unit to the nearest 5-cent increment. Table 3 below shows the results of this approach.

Table 3: Rounding at the UPL per Unit Level

National Drug Code (NDC-11)	Potential UPL per Unit	Potential UPL Per 30 Day Supply
00169-4130-01	\$92.30	\$274.117864742124
00169-4130-13	\$92.30	\$274.117864742124
00169-4132-12	\$177.85	\$274.03389021881
00169-4136-11	\$92.30	\$274.117864742124
00169-4181-13	\$92.30	\$274.113523982316
00169-4772-11	\$92.30	\$274.223413350348
00169-4772-12	\$92.30	\$274.223413350348

If the rounded MFP per 30-day supply is used to set the UPL, the MFP per unit will not be a round cent amount and vice versa.

Calculation of UPL for Years after Baseline MFP

For a UPL that is implemented in a subsequent year (after the baseline), staff adjusts the UPL for inflation by: (1) utilizing the Baseline UPL; (2) increasing that number by the percentage increase in the consumer price index for all urban consumers (CPI-U) for the time period running from 18 months before the baseline UPL went into effect to 18 months before the year in which the UPL is implemented; and (3) rounding this number up to the nearest five cents. We will not know the CPI-U for the 2028 numbers until later this year and as such the staff did not calculate potential UPL amounts for 2028.

Staff Recommendations:

If the Board determines that a UPL is an appropriate policy for Ozempic and seeks to set a UPL using the domestic reference pricing based on the MFP framework, staff recommend calculating the UPL by establishing a Baseline UPL amount and performing the calculations set forth above, at the UPL per 30-day Supply, and applying the inflation adjustment at the UPL per 30-day supply.

The Board sets a Baseline UPL amount at **\$274.00** per 30-day supply for Ozempic for eligible governmental entity payors and purchasers.

In making this calculation recommendation, staff considered the extent to which the MFP reflects discounts, rebates and price concessions; excludes dispensing and administration fees and direct and indirect remuneration to pharmacies; and includes patient out-of-pocket costs other than costs attributable to dispensing fees. COMAR 14.01.05.06D(3). To assess these issues, staff examined the Initial Price Applicability Year 2027 Final Guidance and the Initial Price Applicability Year 2028 Final Guidance.³ These guidance documents provide information on the manufacturer effectuation of the Medicare Maximum Fair Price (MFP) in 2026, 2027, and 2028. Staff also examined the Revised Medicare Part D Manufacturer Discount Program Final Guidance.⁴

In assessing whether the MFP reflects all discounts, rebates, and price concessions, staff examined the interaction between the Medicare Drug Discount Program, Medicare Part D Inflation Rebate Program and the MFP. Manufacturers of the drugs selected for an MFP do not owe rebates for those drugs under the Medicare Drug Discount Program. But those manufacturers may owe rebates under the Medicare Inflation Rebate program. In addition, Medicare Part D plans are permitted to negotiate supplemental rebates. Taken together, this means that a UPL set using the MFP does not include all discounts, rebates, and price concessions received by Medicare or its Part D plans. The Board's regulations, however, do not allow the Board to set a UPL for an amount less than the MFP.

In assessing if the MFP excludes the dispensing fee, staff reviewed the document titled "Medicare Drug Price Negotiation Program: Final Guidance, Implementation of Sections 1191 – 1198 of the Social Security Act for Initial Price Applicability Year 2027 and Manufacturer Effectuation of the Maximum Fair Price in 2026 and 2027." The document states that pharmacies can be reimbursed by the MFP plus a dispensing fee. As a result, the MFP amount is

³ CMS Guidance and Policy Documents- Initial Price Applicability Year 2028-
<https://www.cms.gov/priorities/medicare-prescription-drug-affordability/overview/medicare-drug-price-negotiation-program/guidance-policy-documents>

⁴ CMS Revised Medicare Part D Manufacturer Discount Program Final Guidance-
<https://www.cms.gov/files/document/revised-manufacturer-discount-programfinal-guidance122024.pdf>

not inclusive of dispensing fees, and staff recommend that no adjustments be made to ensure the UPL based on MFP excludes dispensing fees.

Finally, staff considered whether different UPLs should be set for different classes of eligible governmental entities such as payors compared to purchasers. The Board may want to consider different UPLs for the different entities to reflect differences in supply chain markups resulting from the purchasers and payors being in different levels of the supply chain. The Board has authority to set UPLs for governmental payors and purchasers. Because the Board is directed to “consider the cost of administering the drug and delivering the drug to consumers, as well as other relevant administrative costs” when setting a UPL, COMAR 14.01.05.02B(1), the Board may want to consider a pharmacy’s margin on ingredient costs. In the case of a purchaser, pharmacy markups may not be appropriate if they purchase directly from a wholesaler. In this case, staff does not recommend making an adjustment because according to CMS guidance, the MFP is both the maximum that a Part D plan pays and the maximum net cost to pharmacies.

When considering inflation adjustments, staff considered various indices including CPI-U and CPI-Medical. In utilizing CPI-U, staff selected an approach that mirrors CMS’s updates to the MFP and, thus, ensures that future UPLs will not be less than future MFPs.