

## **NEW REPORT: New Jerseyans Get Lower Drug Costs From Inflation Reduction Act Implementation**

Last year, Congressional Democrats passed and President Biden signed into law the Inflation Reduction Act, which allows Medicare to negotiate lower drug prices, limits annual out-of-pocket prescription drug costs, caps the price of insulin at \$35 per month, offers no-cost vaccines to seniors, and more. The new law also holds accountable drug companies that hike the price of their drugs faster than inflation by requiring them to pay a rebate to Medicare. The Biden administration is implementing Medicare drug price negotiation now and will announce the first ten drugs selected for negotiation by September 1, 2023.

A new [report](#) from the U.S. Department of Health and Human Services report shows that nearly 19 million people with Medicare will save an [average of \\$400](#) thanks to the Inflation Reduction Act's \$2,000 annual cost caps alone. Democrats are taking on big drug companies to stop seniors from getting ripped off and having to make hard decisions regarding the affordability of their medications.

### **BY THE NUMBERS:**

- 473,370 **New Jerseyans** will save an average \$519.78 thanks to the Inflation Reduction Act's \$2,000 annual out-of-pocket cost cap, effective in 2025. Last year, 1,055,504 **New Jerseyans** spent an average of **\$499** out-of-pocket on prescription drugs.
- [39,641](#) **New Jerseyans** on Medicare who use insulin are now charged no more than \$35 per month for an insulin prescription.
- [1,290,873](#) of **New Jersey's** seniors are able to receive the shingles vaccination and other recommended vaccinations free of cost.

### **THE DETAILS:**

**Medicare Drug Price Negotiation Implementation Is Starting Now.** The Inflation Reduction Act finally gives Medicare the power to negotiate lower drug prices for everyone on Medicare. This fall, Medicare will begin to negotiate drug prices for some of the most costly drugs covered under Medicare Part D. By 2030, more than 80 drugs will be eligible for Medicare price negotiation. Polling shows over 80 percent of Americans [support](#) giving Medicare the power to negotiate, making it among the most popular provisions in the entire bill.

**The Inflation Reduction Act Will Save New Jerseyans On Medicare Over \$500 On Prescription Drugs.** The Biden administration's Inflation Reduction Act will save New Jerseyans an average of \$519.78 thanks to the \$2,000 annual cost cap, which begins in 2025. And to help seniors with the highest drug costs starting in 2024, 352,520 **New Jerseyans** will save an average of \$288.27 because they will no longer have to pay a 5% coinsurance when they reach the catastrophic phase of the Part D benefit. The Inflation Reduction Act also now caps monthly insulin costs at \$35 for Medicare beneficiaries, which will help 39,641 New Jerseyans who rely on insulin.

**Over 1 Million New Jerseyans Can Receive Free Shingles Vaccinations, Thanks To The Inflation Reduction Act.** Thanks to the Inflation Reduction Act, 1,290,873 of New Jersey seniors are eligible for no-cost shingles vaccinations and other recommended vaccines. In 2020, nearly 4 million Medicare beneficiaries received the two-part shingles vaccination. With a single shot of Shingrix costing [\\$212](#), seniors on Medicare Part D are saving over \$400 on average on vaccinations in 2023. The high out-of-pocket cost of the shingles vaccine has been a key factor in low vaccination rates, especially among Black and Latino communities. While Americans with private insurance can typically receive shingles vaccinations at no cost, this will extend an important affordable preventive service to seniors on Medicare.

**Inflationary Rebates Can Save New Jerseyans On Medicare Hundreds.** Thanks to the Inflation Reduction Act, drug companies that hike the price of their drugs faster than inflation will be held accountable by having to pay a rebate to Medicare, and Medicare reduces the coinsurance of those drugs. People who rely on drugs administered under Medicare Part B (generally, drugs administered in a physicians' office) are already beginning to save [between \\$1 and \\$449](#) on their coinsurance costs.