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The Biden-Harris Administration's Inflation Reduction Act Is Driving Down Health Costs For Americans

The Inflation Reduction Act is saving Americans thousands of dollars on health care by holding big pharmaceutical companies accountable and bringing down the cost of prescription drugs, making health care plans more affordable with premium tax credit subsidies, and capping the price of insulin at \$35 per month for Medicare Part D beneficiaries. Bringing down the cost of health care helps keep food on the table and a roof over heads for millions of people. The work the Biden-Harris administration and Democrats in Congress are doing to lower Americans' spending on health care is paramount to keeping families healthy.

WHO BENEFITS:

- **4 million** Americans on Medicare who use insulin are now charged no more than \$35 per month for an insulin prescription.
- In 2023, **14.3 million** Americans saved an average of **\$527** on monthly health insurance premiums.
- **50.5 million** Medicare beneficiaries are able to receive the shingles vaccination and other recommended vaccinations free of cost.
- Seniors on Medicare will be protected from drug company price hikes thanks to increased **inflation rebates**.
- **Nearly 9 million** people take the first **ten drugs** that were selected for Medicare negotiation. These drugs account for **20 percent** of the annual Medicare Part D spending. Negotiated prices will take effect in 2026.
- **400,000** low-income seniors will receive more help affording prescription drugs through the Medicare Part D Extra Help program.
- Medicaid and CHIP beneficiaries **have access** to recommended vaccinations free of cost.
- Seniors with the highest brand-name drug costs will see relief because their coinsurance is phased out, effectively capping their out-of-pocket costs at **\$3,250** for the year.
- In 2025, out-of-pocket costs in Medicare Part D will be capped at \$2,000, saving nearly **19 million Americans** an average of **\$400** each year.

The Inflation Reduction Act Lowers Premiums For Millions of Americans

The [Biden administration](#) announced that a record 21.3 million Americans have signed up for health insurance through the Affordable Care Act (ACA) marketplaces – over nine million more than when President Biden took office. Thanks to the Inflation Reduction Act lowering health insurance premiums, [80 percent](#) of enrollees were able to find a health plan through the

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Marketplace for \$10 or less per month. The Inflation Reduction Act [saves](#) an average middle class family of four \$6,604 on their yearly premiums.

- **Coverage for Communities of Color Expanded To Address Health Care Equity.** The Center on Budget Policy and Priorities estimates the increased savings continued under the Inflation Reduction Act will cause a sharp decline in the uninsured rate across every racial group. The extended premium savings provided in the Inflation Reduction Act have made more than [65 percent](#) of uninsured Black adults eligible for zero dollar premium plans and [75 percent](#) eligible for plans less than \$50 a month. For uninsured Hispanic and Latino adults, now more than [68 percent](#) are eligible for zero dollar premium plans and nearly [80 percent](#) can access plans for less than \$50 a month. Health coverage access is imperative to reducing racial disparities in health coverage across the nation.
- **Premiums For Low-Wage Workers Eliminated.** The Inflation Reduction Act ensures no Americans with incomes at or below [150 percent](#) of the federal poverty level buying their coverage on the Marketplace pay a premium.
- **Costs For Rural America Cut.** Thanks to the provisions in the Inflation Reduction Act, roughly [65 percent](#) of rural Americans have access to zero dollar premium health coverage and more than [76 percent](#) are able to find a plan for less than \$50 a month, narrowing the coverage differences between rural and urban America.

The Inflation Reduction Act Lowers Prescription Drug Prices

Medicare Negotiation For Lower Drug Prices. The Biden administration is implementing the Medicare Drug Price Negotiation Program which is [supported](#) by over 80 percent of Americans – the most popular provision in the Inflation Reduction Act. In August, the first round of high-cost drugs that will be negotiated was announced: Eliquis, Jardiance, Xarelto, Januvia, Farxiga, Entresto, Enbrel, Imbruvica, Stelara, and Fiasp/ NovoLog. These high-cost drugs treat conditions like cancer, diabetes, and blood clots. The first [ten drugs](#) selected for negotiation are taken by nearly [9 million](#) people on Medicare, who spent [\\$3.4 billion](#) in out-of-pocket costs last year alone. The negotiated prices will be effective starting in 2026.

Lower Insulin Costs For Seniors. In 2020, there were more than [3.2 million](#) insulin users with Medicare, with nearly 1.7 million purchasing their insulin without low-income subsidies. On average, seniors with Medicare Part D or B who are not receiving subsidies pay an average of [\\$572](#) every year for this life-saving medication – an unthinkable sum for many on fixed incomes. Patients who suffer chronic complications can expect to pay upwards of an additional [\\$650](#) per year. Under the Inflation Reduction Act, insulin copays for people on Medicare are

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capped at [\\$35](#) per prescription each month. A recent study showed that [1.5 million](#) people on Medicare would have saved an average of \$500 in 2020 from the \$35 insulin copay cap.

Ends Outrageous Price Increases For Seniors. The Inflation Reduction Act penalized drug companies for raising drug prices faster than the rate of [inflation](#) starting at the beginning of 2023. An analysis by KFF showed that [half of all drugs](#) covered by Medicare had list price increases exceeding the rate of inflation in 2020. For example, Humira, a medication commonly used to treat rheumatoid arthritis, is one of the nation's highest revenue-generating drugs, raking in \$21 billion in sales in 2019. AbbVie, Humira's manufacturer, has hiked the price of Humira [27 times](#), including in January 2021 when it raised its cost by [7.4 percent](#). Over the [past 20 years](#), price increases for brand-name drugs in Medicare Part D have risen at more than twice the rate of inflation.

Free Vaccinations. Thanks to the Inflation Reduction Act, 50.5 million seniors are eligible for no-cost shingles vaccinations. 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. This extends an important affordable preventive service to seniors on Medicare; Americans with private insurance could already typically receive shingles vaccinations at no cost.

Out-Of-Pocket Caps For Seniors. The Biden administration's Inflation Reduction Act will [save](#) Americans an average of \$396 thanks to the \$2,000 annual cost cap, which begins in 2025. And to help seniors with the highest drug costs starting in 2024, over 38 million Americans will save an average of \$462 because they will no longer have to pay a 5% coinsurance when they reach the catastrophic phase of the Part D benefit.