PROTECT OUR CARE

New Report

The MAGA Republican War on Medicare

The MAGA Project 2025 Agenda Will Raise Drug Prices and Premiums, Ban Drug Negotiation, and Slash Benefits

Introduction

The Trump-MAGA Republican Project 2025 agenda is clear: Medicare is on the chopping block. While in office, Trump attempted to slash Medicare's budget every year and push seniors into privatized plans that line insurance company pockets at the expense of their access to care and taxpayers' wallets. And now Trump is saying the quiet part out loud this cycle: if he wins, he will come for Medicare. Republicans have targeted Medicare cuts for decades, and they certainly have no plans to back down. The 2025 Medicare open enrollment period kicks off on October 15, and 67.5 million seniors will begin signing up for their plans. Thanks to the Inflation Reduction Act, Medicare is better than ever. Seniors and people with disabilities will save money on prescription drugs and vaccines, with new benefits including:

- A \$2,000 out-of-pocket cap on prescription drugs starting January 1, saving nearly 19 million
 Americans an average of \$400 each year
- A \$35 monthly copay cap on insulin for 4 million Americans on Medicare who use insulin
- Free shingles and other essential vaccinations
- Medicare negotiation for lower drug prices with savings starting in 2026
- Protections from drug company price hikes thanks to inflation rebates

These new benefits are at grave risk: The cost-saving measures in the Inflation Reduction Act were passed in Congress without a single Republican vote and are under attack by Donald Trump and Republican Members of Congress. Millions of seniors finally have the breathing room they need in order to pay for other essentials like food and housing, or transportation to visit their grandchildren – but Donald Trump and MAGA Republicans want to rip it all away.

When Donald Trump was in office, he slashed \$25 billion from Medicare programs. In his second term, he plans to cut a whopping \$845 billion more. Trump's friend, MAGA Republican Rick Scott even proposed sunsetting Medicare after five years. When Trump was unable to pass the most radical GOP plans for Medicare, he signed an executive order pushing seniors into expensive private plans to pad insurance company profits. Trump gave billions in tax breaks to drug and health insurance companies and executives during his first term, and wants to slash tens of billions from Medicare to pay for more tax breaks for the wealthy.

For decades, Republicans have sought cuts to Medicare. One of Donald Trump's promises on the 2020 campaign trail was also significant cuts to entitlement programs like Medicare if he won a second term.

Project 2025 builds upon these promises and offers insight into the MAGA framework for stripping Medicare coverage from seniors and people with disabilities, increasing prescription drug prices, increasing fraud throughout the system, and forcing them to pay more for their health care across the board.

If Trump and his MAGA allies get their way:

- GONE: The \$2,000 Annual Out-of-Pocket Limit. People enrolled in Medicare Part D will no longer have *any limit* to out-of-pocket costs for prescription drugs. The \$2,000 annual out-of-pocket cost cap starting January 1, would have saved nearly 19 million Americans an average of \$400 each year.
- GONE: \$35 Insulin. A \$35 monthly copay cap on insulin for 4 million Americans on Medicare who use insulin will no longer be in place.
- GONE: Medicare Drug Price Negotiation. Medicare will lose the power to negotiate lower
 drug prices for 80 of the costliest and most commonly used drugs in Medicare by 2030. Seniors
 who are tired of paying up to eight times more for their prescription drugs than people in other
 countries will return to being at the mercy of drug company greed.
- GONE: Protection Against Outrageous Drug Company Price Hikes. Drug companies will no longer face penalties for hiking their prices beyond the rate of inflation. These penalties saved nearly 770,000 seniors directly on their drug costs and saved taxpayers and people on Medicare \$3 billion.
- GONE: The Expansion of Free Coverage for Low-Income Seniors. Eligibility for the
 Medicare Extra Help subsidy program will be reduced, restricting a program that makes
 prescription drugs more affordable for 1.1 million lower-income seniors and people with
 disabilities, with up to 13.1 million more eligible but not yet enrolled.
- GONE: Medicare Reimbursements For Life-Saving Care. The <u>67.5 million</u> people on Medicare would see life-saving health care threatened due to spending cuts.
- GONE: Free Vaccines. Over 4 million Americans will lose access to free vaccines. Repealing
 free vaccine access would force people on Medicare to pay up to \$424 for the shingles vaccine
 again.
- GONE: Funding For Nursing Homes and Long-Term Care. Funding for nearly two-thirds of long-term residents in nursing homes would dry up.
- GONE: \$200 Billion in Medicare Funding Every Year. New enrollees will be pushed into
 privatized Medicare plans that restrict their choices of doctors and hospitals, leading to a \$200
 billion annual giveaway to corporations at the expense of people on Medicare and taxpayers
 without improving care.

The MAGA Project 2025 Agenda: Raising Drug Prices and Premiums

Killing Out-of-Pocket Cost Caps

MAGA Republicans Want People on Medicare to Pay More For Prescription Drugs. MAGA Republicans want to kill the Inflation Reduction Act, which will cap out-of-pocket costs for prescription drugs starting on January 1. Millions of people in Medicare still struggle to pay for life-saving prescriptions or treatments, with Black Americans on Medicare being nearly twice as likely than their white counterparts to stop taking a prescription due to cost. Hispanic/Latino Americans over 65 are also 1.5 times as likely to have challenges affording out-of-pocket prescription costs. The Inflation Reduction Act caps annual out-of-pocket spending to \$2,000 for over 54 million Americans beginning in 2025. If repealed, people on Medicare could face skyrocketing costs.

Republicans have been working on ending this benefit ever since the Inflation Reduction Act was signed into law, proposing legislation that would increase out-of-pocket prescription drug costs. Senator Mike Lee (R-UT) introduced <u>multiple</u> pieces of <u>legislation</u> to repeal the new out-of-pocket cap that will protect seniors from high prescription drug costs. Over 20 House Republicans sponsored a bill to repeal the Inflation Reduction Act.

This cap could mean the difference between life and death for the countless seniors relying on high-cost drugs for complex conditions such as Crohn's disease. The 3.2 million on Medicare who are expected to reach the cap in 2025 will <u>save an average of \$1,500</u> per year on out-of-pocket costs – saving nearly 19 million <u>Americans</u> an average of \$400 each year.

Ending The Insulin Copay Cost Cap

MAGA Republicans Want to Keep Profits High for Manufacturers and Insulin Costs

Unaffordable For Seniors. For years, Republicans rejected legislation to cap insulin costs for millions of people with diabetes nationwide – even though as many as one in four Americans dependent on insulin are skipping or skimping on doses, a life-threatening practice no one in the country should have to bear. On average, seniors with Medicare Part D or B who are not receiving subsidies paid an average of \$572 every year for this life-saving medication before the cap went into effect – an unthinkable sum for many on fixed incomes. Patients who suffer chronic complications could expect to pay upwards of an additional \$650 per year.

The <u>outrageous prices</u> of insulin, a drug vital for the survival of nearly <u>4 million</u> Americans on Medicare, forced <u>80 percent</u> of Americans with diabetes to take out debt to pay for their prescriptions. The Inflation Reduction Act capped insulin prices at no more than \$35 for all people on Medicare, saving them <u>up to</u> \$1,500 annually. Meanwhile, MAGA Republicans are <u>blocking</u> efforts to expand the insulin copay cap to Americans on Medicaid, ACA plans, and private health insurance plans while fighting to protect multibillion-dollar tax breaks they passed for large corporations profiting off of insulin.

Fueling Unadulterated Drug Company Price Hikes

MAGA Republicans Want Big Drug Companies To Impose Outrageous Price Increases On Seniors Without Any Consequences. MAGA Republicans who want to repeal the Inflation Reduction Act are seeking to end a provision that penalizes drug companies for raising drug prices faster than the rate of inflation. For too long, drug companies have charged whatever they want for lifesaving medications while seniors cut pills and skipped doses because of high costs. Drug costs have soared, leaving seniors forced to make impossible decisions between the drugs they need and the drugs they can afford.

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. During Trump's first year in office, the list prices of 20 of the top 25 drugs covered by Medicare Part D increased between three and nine times the rate of inflation, according to KFF. AARP found that annual drug costs for the drugs most commonly used by seniors rose 5.8 percent in 2018, more than twice the rate of inflation. Likewise, drug prices increased an average of 21 percent in 2019 and grew faster than inflation in 2020. 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, AbbVie has hiked the price of its blockbuster drug Humira 27 times, including in January 2021 when it raised its cost by 7.4 percent. Since this provision went into effect, manufacturers of 98 drugs have been penalized, saving at least 770,000 seniors directly on their drug costs, and saving people with Medicare and taxpayers nearly \$3 billion.

Banning the Medicare Drug Price Negotiation Program

MAGA Republicans Want to Ban Medicare From Negotiating Lower Drug Prices. MAGA Republicans seeking to repeal the Inflation Reduction Act want to end the Medicare Drug Price Negotiation program. Americans currently pay two to four times more for prescriptions than people in other countries and if Republicans have their way it will stay like that. Negotiating lower prices remains overwhelmingly popular among voters of all parties across the country, including 77 percent

of Republican voters. Despite bipartisan support from the American people, the Inflation Reduction Act passed without a single vote from Republicans in Congress, and now some are working to repeal all of the Inflation Reduction Act's drug pricing measures. The same Republican lawmakers who unanimously voted to maintain the status quo and keep health care costs high are fighting to repeal the drug pricing measures of the Inflation Reduction Act and extend tax breaks for the wealthy.

- For The First Time In History, Medicare Is Finally Negotiating Lower Drug Prices For Seniors. Thanks to the Inflation Reduction Act, Democrats in Congress gave Medicare the power to negotiate lower prices on behalf of seniors. These prices will take effect in 2026 and the administration will continue to negotiate more drugs every year, totaling 80 drugs by 2030. After a successful first round of negotiations, the administration announced lower prices for ten of the costliest drugs on the market. Medicare has already negotiated 38 to 79 percent lower list prices for the ten drugs that make up around 20 percent of all Medicare Part D spending. The first ten drugs selected for the first round of negotiations are taken by nearly 9 million people on Medicare, who spent \$3.4 billion in out-of-pocket costs last year alone. The ten drugs included in the first round of negotiations are Eliquis, Jardiance, Xarelto, Januvia, Farxiga, Entresto, Enbrel, Imbruvica, Stelara, and Fiasp. The newly lowered prices for the first round of drugs will save seniors thousands of dollars and will save taxpayers billions. These newly lowered prices would have saved seniors \$1.5 billion in out-of-pocket costs and saved taxpayers \$6 billion if they had been in effect in 2023.
- While Democrats Are Working To Expand The Inflation Reduction Act's Prescription
 Drug Savings, Donald Trump and MAGA Republicans Want To Go Backwards. Democrats
 want to build on the drug pricing reforms to lower drug prices for all Americans. Meanwhile,
 Republicans are continuing to side with drug industry lobbyists by trying to stop Medicare from
 negotiating lower prices and prevent corporations from paying their fair share in taxes.

Giving Tax Breaks To Big Drug Companies While Raising Drug Prices for Seniors

MAGA Republican Efforts To Ban Medicare Drug Negotiations Are Driven By Nothing More Than Corporate Greed. The MAGA Republican Study Committee (RSC)'s latest budget proposal would repeal the Inflation Reduction Act and strip Medicare's power to negotiate prices, costing taxpayers tens of billions of dollars and placing these equity-advancing improvements at risk while drug companies hoard record profits. If these efforts succeed, companies like Merck and Bristol Myers Squibb, who already spent over \$100 million to lobby against the initial passage of the Inflation Reduction Act, will continue raking in billions annually on drugs with no generic alternative while sick Americans skip doses because of drug company greed.

Republicans continue to give into lobbying campaigns by the pharmaceutical industry, turning their backs on the American people by standing in opposition to any legislation reducing drug prices. During his administration, former President Trump was an ally of the pharmaceutical industry. He signed a \$1.5 trillion tax bill that disproportionately benefited the wealthy and reduced the corporate tax rate from 35 percent to 21 percent, giving billions in tax breaks to drug and health insurance companies and executives. Collectively, fourteen of the largest drug companies in the U.S. have already spent \$62 billion this year lining the pockets of shareholders. Trump wants to gut Medicare and other health programs to fund tax breaks that ensure these rich shareholders get their billions in buybacks tax-free.

In the meantime, while industry lobbyists attempt to paint a grim future to repeal the Inflation Reduction Act, CEOs are boasting record profits, upgrading their long-term revenue projections, and stating confidence in their ability to navigate the new legislation. Farxiga manufacturer AstraZeneca's CEO Pascal Soriot bragged in July, "We recorded a record second quarter with almost \$13 billion in revenue." Drugmakers filed cases in eleven courts across the country to stop Medicare from negotiating. The same pharmaceutical companies suing the federal government over the Inflation Reduction Act are continuing to rake in multibillion-dollar profits, upgrade their long-term forecasts, and handsomely reward their shareholders. Drug company CEOs and executives want to pad their profits and keep costs high for seniors. If they get their way, it would mean higher drug prices and higher premiums for seniors already struggling to keep up with the high cost of living.

The MAGA Project 2025 Agenda: Slashing Medicare Benefits

Medicare has always been on MAGA Republicans' chopping block. When they controlled the White House, House, and Senate between 2017 and 2021, they enacted and proposed multiple pieces of legislation that capped Medicare programs, cut benefits, and reduced spending. Trump proposed substantial cuts to Medicare in every single one of his budgets as President, including over \$845 billion in cuts and reallocations from Medicare spending in 2020. One of the shining pillars of the Trump administration, the 2017 tax law, slashed over \$25 billion in funding for Medicare within just one year of the cuts going into effect.

The Republican record of trying to cut Medicare did not improve after 2020. <u>All but nine</u> House Republicans and more than <u>half</u> of Republican Senators voted against the 2022 funding bill protecting Medicare from spending cuts as the COVID-19 public health emergency ended. In 2023, Republicans came out in droves supporting cuts to Medicare. From the Republican House Ways and Means Committee Chairman Jason Smith <u>floating</u> potential Medicare cuts to Rep. Bruce Westerman

supporting caps in Medicare spending, it is clear that top Republicans are itching to cut Medicare spending. Former Speaker of the House Kevin McCarthy even proposed cuts to Medicare during the 2023 session, with support from the Republican Study Committee and many influential House members like House Judiciary Committee Chair Jim Jordan and Rep. Chip Roy. They also advocated for a 2024 budget that would have included over \$58 billion more cuts to Medicare and Medicaid.

Slashing Medicare Coverage

- MAGA Republicans Want to Slash Medicare Spending and Coverage. As recently as March of 2024, the Republican Study Committee (RSC) and Trump's Project 2025 introduced proposals that would slash Medicare spending and increase costs to seniors. They follow a similar lane to Republicans' 2024 budget proposal which seeks to privatize Medicare and raise the retirement age. Moving into budget negotiations for 2023, prominent Republicans including RNC Chairwoman Ronna McDaniel, Senators Rubio and Ron Johnson, and Representative Matt Gaetz initially backed an 11-point plan pitched by Senator Rick Scott which would have sunset all government programs including Medicare after five years. The RSC proposal, which includes over \$16 trillion in cuts to programs like Medicare, Medicaid, and Social Security, follows other GOP proposals to sunset all federal programs after five years, including Medicare threatening health coverage for 67.5 million seniors and people with disabilities. Trump wants to slash tens of billions from Medicare to pay for tax breaks for the wealthy.
- Over 67.5 Million Seniors Could See Life-Saving Health Care Threatened. In 2023, there
 were over 67.5 million Americans enrolled in Medicare. These people rely on Medicare for lifesaving services like doctor visits, prescription drugs, hospital, and nursing home care. Cuts to
 key Medicare programs would see millions of seniors at risk of having worse care, less access to
 facilities and physicians, and less choice for vital prescriptions, all while raising out-of-pocket
 costs.
- MAGA Republicans Want to Curb Physician Reimbursement Dramatically and Cut Hospital Spending, Reducing Quality of Care and Limiting Provider Choice. Cuts like those recommended by the Trump administration would have significantly reduced payments to health providers, including hospitals. The nearly \$900 billion in cuts and reallocations would have left hospitals more short-staffed than ever. For people on Medicare to receive the quality and affordable health care they are entitled to, they must have access to the physicians and facilities that provide that care. Republican cuts to Medicare could also see physician reimbursements fall, meaning fewer doctors able to take in fewer patients and, on average, located further away from people who rely on Medicare.
- MAGA Republicans Want to End Anti-Fraud Measures that Protect Seniors from Price

Gouging and Waste. House Republicans and Trump's Project 2025 have proposed ending the Stark Law, which bans physicians from self-referring patients to facilities and services in which they have a financial stake. In addition to having a clear conflict of interest, these controversial physician-owned hospitals provide limited or no emergency services, cherry-pick the most potentially profitable patients, and incur significantly higher costs on the Medicare program. According to the HHS, up to one-third of these hospitals may violate Medicare requirements by relying on publicly funded services to stabilize patients while still charging the patients exorbitantly. The Affordable Care Act's closing of the "whole hospital" exception loophole in the Stark Law reduced the federal deficit by half a billion dollars over ten years and President Biden with the ending of the COVID-19 Public Health Emergency (PHE) reinstituted these restrictions protecting patients and taxpayers from fraud and abuse; Republicans repealing it will cost the federal government and the American people millions of dollars annually.

Cutting Medicare Benefits

MAGA Republicans Want to Shrink Part D Coverage Subsidies For Lower-Income Seniors and People with Disabilities on Medicare. The Inflation Reduction Act expanded eligibility for the Extra Help program, which subsidizes prescription drug coverage premiums for seniors with limited resources and incomes up to 150 percent of the federal poverty level, or \$21,870 per year as of 2023. 1.1 million lower-income seniors and people with disabilities are currently enrolled in the program, and up to 13.1 million more are eligible but not yet enrolled. Seniors save an estimated \$300 a year on average in out-of-pocket costs by receiving full benefits instead of partial benefits. By repealing the Inflation Reduction Act, Republicans would repeal this program, putting affordable prescription drug coverage further out of reach for millions of seniors.

MAGA Republicans Want to Reintroduce Costs for People on Medicare Based on Their Health Status. MAGA Republicans are pushing to allow Medicare to conduct medical underwriting to determine costs and coverage. Medical underwriting is a process in which insurance companies can discriminate against people and refuse to allow them onto health insurance plans based on that individual's medical history. Trump's Project 2025 proposes basing Medicare payments on the health status of a patient so that health providers can price gouge those who need health care the most. Allowing medical underwriting in Medicare would disproportionately impact racial and ethnic minorities who face health disparities due to systemic barriers to health care access, as well as people with chronic illness – and higher costs will only result in expanded treatment disparities.

MAGA Republicans Want to Push Seniors Into Privatized Medicare Plans, Padding Insurer

Profits, Wasting Billions, and Propelling Medicare Towards Bankruptcy. Trump's Project 2025 proposes making privatized Medicare Advantage plans the default for new enrollees. These plans cost 22 percent more on average per person. Pushing seniors into these plans would lead to a \$200 billion annual giveaway to corporations and push Medicare towards bankruptcy – at the expense of people on Medicare and taxpayers without improving care. Experts estimate that if Medicare Advantage rose to 75 percent of Medicare enrollment, the program would waste nearly \$2 trillion over 10 years on excess payments to these private plans "without any real improvement in health care quality for enrollees." Even now, as lawmakers have worked to rein in overpayments, some Medicare Advantage plans are pulling back benefits; of the 25 MA parent organizations by number of plan offerings, 76 percent are decreasing their offerings ahead of the upcoming open enrollment period. MA plans are also known to systematically underpay rural providers and deny coverage to rural Americans. Pushing seniors to MA plans would put rural hospitals at risk of closing and seniors at risk of losing access to care.

Ending Free Vaccines For Seniors and People with Disabilities on Medicare

MAGA Republicans Want to End Free Vaccine Access For Over 4 Million Americans On

Medicare. Before the Inflation Reduction Act, people on Medicare had to pay out-of-pocket copays for many recommended vaccines, such as shingles and RSV. In 2020 alone, more than 4,108,000 Americans received a vaccine through Medicare's prescription drug benefit. Now, everyone enrolled in Medicare Part D has access to free vaccines, such as shingles and pneumonia, at no cost. 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 has extended an important affordable preventive service to seniors on Medicare; Americans with private insurance could already typically receive shingles vaccinations at no cost. Repealing the Inflation Reduction Act, and with it, free vaccine access, would force seniors to pay up to \$424 for the shingles vaccine again.

Cutting Funding For Nursing Homes and Long-Term Care

MAGA Republicans Want to Cut Funding For Nearly Two-Thirds of Long-Term Residents in Nursing Homes. Republicans are also pushing for cuts to Medicaid, which covers nursing home bills for over 60 percent of residents in nursing homes. In 2019, this totaled over \$50 billion. The median private nursing home room can cost over \$100,000 annually. Medicaid caps or cuts would see more seniors without the financial resources to afford long-term care. In contrast, Vice President Harris recently released a new proposal to shift nursing home coverage from Medicaid to Medicare and add an

in-home health care benefit to Medicare – in addition to vision and hearing care.

Conclusion

The evidence is damning – the MAGA Trump Project 2025 agenda is a clear danger to seniors across the nation. Instead of supporting the tens of millions of Americans who rely on Medicare for health care, Trump and his MAGA allies want to slash spending, raise costs, and reduce coverage while increasing waste and giving tax breaks to big drug companies and the wealthiest Americans. The radical MAGA Medicare agenda threatens millions of older adults, people with disabilities, and their families and benefits the corporations and ultra-wealthy who profit off Americans' illness.

