

# Inflation Reduction Act: Lowering Rx Costs

U.S. Senator Bob Casey, Jr.

## HOW MICHIGAN BENEFITS

The Inflation Reduction Act has lowered health care and prescription drug costs for Michigan families.

### Reducing Health Care Premiums

Marketplace premiums have been reduced by hundreds of dollars per person, on average, for roughly 271,000 Michiganders.<sup>1</sup>



### Capping Insulin at \$35/month

Out-of-pocket costs for insulin are now capped at \$35 per month for Medicare beneficiaries enrolled in Part D and Part B, lowering costs for more than 66,700 Michiganders.<sup>2</sup>



### 10 Initial Drugs for Negotiation

In 2023, the Centers for Medicare & Medicaid Services announced the first 10 drugs covered under Part D selected for negotiation. The following drugs will have capped maximum fair prices beginning in 2026, lowering the cost of these drugs.<sup>3</sup>

1. Eliquis, used by 140,000 state residents on Medicare
2. Jardiance, used by 43,000 state residents on Medicare
3. Xarelto, used by 50,000 state residents on Medicare
4. Januvia, used by 35,000 state residents on Medicare
5. Farxiga, used by 23,000 state residents on Medicare
6. Entresto, used by 19,000 state residents on Medicare
7. Enbrel, used by 2,000 state residents on Medicare
8. Imbruvica, used by 900 state residents on Medicare
9. Stelara, used by 800 state residents on Medicare
10. Fiasp/NovoLog, used by 34,000 state residents on Medicare



### Making Approved Vaccines Free

Approved vaccines, including vaccines for shingles, flu, DTaP, and COVID-19, are free for Part D beneficiaries. This has helped to lower costs for more than 137,900 Michiganders.<sup>4</sup>



### Decreasing Out-Of-Pocket Costs

Reforms to the Part D program, including the \$2,000 cap on out-of-pocket costs, will lower prescription drug costs for nearly 672,900 Michiganders. This will mean nearly \$240 million in savings for state residents in 2025.<sup>5</sup>

## IRA IMPLEMENTATION TIMELINE

**January 1, 2025**

The \$2,000 cap on out-of-pocket costs for prescription drugs under Part D is implemented.

**September 1, 2024**

The negotiated maximum fair prices for the first 10 drugs under Part D are published.

**January 1, 2026**

Maximum fair prices negotiated for the first 10 drugs under Part D go into effect.

### Ongoing Drug Negotiations

Additional drugs will be eligible for negotiation each year, with 15 drugs eligible in each 2027 and 2028, and 20 drugs eligible in 2029 and each following year.

# Inflation Reduction Act: Lowering Rx Costs

U.S. Senator Bob Casey, Jr.

## REFERENCES

1. Assistant Secretary for Planning and Evaluation. (March 23, 2022). Projected Coverage and Subsidy Impacts If the American Rescue Plan's Marketplace Provisions Sunset in 2023. Department of Health and Human Services. Retrieved from <https://aspe.hhs.gov/sites/default/files/documents/8d609f238d414232aa744c12f3da5c00/arp-ptc-sunset-impacts-03-22-22.pdf>.
2. Assistant Secretary for Planning and Evaluation. (January 24, 2023). Insulin Affordability and the Inflation Reduction Act: Medicare Beneficiary Savings by State and Demographics. Department of Health and Human Services. Retrieved from <https://aspe.hhs.gov/sites/default/files/documents/bd5568fa0e8a59c2225b2e0b93d5ae5b/aspe-insulin-affordability-datapoint.pdf>.
3. Assistant Secretary for Planning and Evaluation. (December 14, 2023). Inflation Reduction Act Research Series—Medicare Enrollees' Use and Out-of-Pocket Expenditures for Drugs Selected for Negotiation under the Medicare Drug Price Negotiation Program. Department of Health and Human Services. Retrieved from <https://aspe.hhs.gov/sites/default/files/documents/23148a5897ea92a142aab21e2ec29ca2/ASPE-IRA-Drug-Negotiation-Fact-Sheet.pdf>.
4. Assistant Secretary for Planning and Evaluation. (March 15, 2023). Inflation Reduction Act Research Series—Medicare Part D Enrollee Savings from Elimination of Vaccine Cost-Sharing. Department of Health and Human Services. Retrieved from <https://aspe.hhs.gov/sites/default/files/documents/329fd579ada6515d3be404f06821c361/aspe-ira-vaccine-part-d.pdf>.
5. Assistant Secretary for Planning and Evaluation. (July 7, 2023). Inflation Reduction Act Research Series—Medicare Part D Enrollee Out-Of-Pocket Spending: Recent Trends and Projected Impacts of the Inflation Reduction Act. Department of Health and Human Services. Retrieved from <https://aspe.hhs.gov/sites/default/files/documents/93a68f3c5ca949dcf331aa0ec24dd046/aspe-part-d-oop.pdf>.