

# Inflation Reduction Act: Lowering Rx Costs

U.S. Senator Bob Casey, Jr.

## HOW MINNESOTA BENEFITS

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

### Reducing Health Care Premiums

Marketplace premiums have been reduced by hundreds of dollars per person, on average, for roughly 85,000 Minnesotans.<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 27,100 Minnesotans.<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>



### 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 nearly 71,700 Minnesotans.<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 roughly 234,800 Minnesotans. This will mean more than \$113 million in savings for state residents in 2025.<sup>5</sup>

1. Eliquis, used by 48,000 state residents on Medicare
2. Jardiance, used by 15,000 state residents on Medicare
3. Xarelto, used by 25,000 state residents on Medicare
4. Januvia, used by 7,000 state residents on Medicare
5. Farxiga, used by 3,000 state residents on Medicare
6. Entresto, used by 4,000 state residents on Medicare
7. Enbrel, used by 600 state residents on Medicare
8. Imbruvica, used by 500 state residents on Medicare
9. Stelara, used by 300 state residents on Medicare
10. Fiasp/NovoLog, used by 16,000 state residents on Medicare

## 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.

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## REFERENCES

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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>.
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