FACT SHEET: How High Drug Prices Hurt People With Disabilities

High prescription drug costs disproportionately hurt the 61 million Americans living with one or more disabilities. The drug pricing crisis across the United States wreaks havoc for millions, particularly those making less than $40,000 per year. Approximately 85 percent of those on Medicaid with a disability are living on annual incomes of less than $25,760, making the surge in drug costs particularly painful. Not only do prescription drug costs create significant financial hardship, but increasing costs have the capacity for deadly outcomes. A 2021 study found that the smallest increase in out-of-pocket medication costs created alarming drops in patients taking drugs as instructed and tragic increases in mortality rates.

Despite these disastrous outcomes, pharmaceutical corporations have only continued ramping up the cost of prescription drugs at the detriment of people with disabilities. Big Pharma has been particularly ruthless towards those suffering from rheumatoid arthritis. Humira, a commonly used RA medication manufactured by AbbVie, has experienced 27 price increases and Medicare beneficiaries using the drug paid an estimated average of $5,471 in annual out-of-pocket costs in 2019.

This outrageous profiteering at the expense of people with disabilities is simply unacceptable. These practices demonstrate the urgent need for Congress to pass the Lower Drug Costs Now Act (H.R. 3), which would provide the federal government the necessary power to negotiate prescription drug prices. Negotiation would save the government and patients nearly $600 billion on prescription drug costs, which could be reinvested to strengthen health care for millions of Americans. There is also action that could be taken today by the 12 states refusing to accept Medicaid expansion. If Republicans quit their needless blockade, a minimum of 500,000 Americans with disabilities would be able to enroll in Medicaid and access essential healthcare. The time for bold action is now.

KEY POINTS

- **Americans with disabilities are struggling to afford rising drug costs on fixed incomes.** 61 million Americans have a disability, with millions covered by Medicaid and Medicare. Many of these individuals live on a fixed income, with nearly 85 percent of nonelderly Medicaid beneficiaries with disabilities living on less than $25,760 per year.

- **Soaring out-of-pocket costs for specialty drugs hurt people with disabilities.** In January of 2021, drugmakers hiked the price of nearly 1,000 drugs, while Americans with disabilities were left struggling to afford needed medications. A recent study found that increasing out-of-pocket costs by just $10 produced a 33 percent increase in mortality.
The time to rein in drug manufacturers and expand coverage is now. Medicaid expansion in the remaining holdout states would provide coverage for at least 500,000 people with disabilities. When living in an expansion state, these individuals are 6 percentage-points more likely to be employed. No one should be forced to live below the FPL in order to have access to lifesaving medical coverage.

Americans With Disabilities Are Struggling To Afford Rising Drug Costs On Fixed Incomes

Millions of Americans Have At Least One Disability. According to the CDC, one in four Americans, or 61 million individuals, have a disability. Not all individuals who have a disability are eligible for disability benefits.

Medicare And Medicaid Are Lifelines For Millions With Disabilities. Nearly seven million people with disabilities under 65 are covered by Medicaid, with an additional 8.7 million covered by Medicare.

Many Individuals With Disabilities Have A Fixed Income. Nearly 85 percent of Medicaid beneficiaries with disabilities have annual incomes less than $25,760, with more than half living on less than $12,880 per year. Americans least likely to be able to afford medications are those with annual incomes under $40,000 and with monthly prescriptions costs over $100.

Income Disparities Hinder Medication Access. Workers with disabilities make just 66 percent of what workers without a disability make. Americans between 45 and 64 with incomes below 200 percent of the FPL, are five times more likely to have a disability.

Soaring Out-Of-Pocket Costs For Specialty Drugs Hurt People With Disabilities

Medicare Has No Out-Of-Pocket Limit For Prescription Drugs. Individuals with disabilities on Medicare have no limit for out-of-pocket medication costs. Once Medicare beneficiaries are out of the coverage gap and have obtained catastrophic coverage, they are still responsible for coinsurance and copayments costs.


Rheumatoid Arthritis. 1.5 million Americans suffer from rheumatoid arthritis. For Medicare beneficiaries, the anticipated annual out-of-pocket cost for four specialty rheumatoid arthritis drugs was approximately $5,000 on average. Humira, a medication commonly used to treat RA, 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, most recently in January when it raised its cost by 7.4 percent.

Cancer. Approximately half of the 1.6 million new cancer cases in 2012 were in people under 65. The average estimated out-of-pocket cost for the top specialty cancer medications for Medicare beneficiaries is more than $8,000 per year.
Multiple Sclerosis. Nearly one million Americans live with multiple sclerosis. Medicaid spending on 15 multiple sclerosis drugs tripled from $453 million in 2011, to $1.32 billion in 2017. For those on Medicare, the anticipated out-of-pocket cost for four speciality multiple sclerosis drugs was more than $6,500 in 2019.

HIV. 1.2 million Americans are HIV-positive and are nine times more likely than the general population to receive disability benefits. A 2020 study found that Medicare beneficiaries without low-income subsidies can face annual out-of-pocket costs of $3,000 to $4,000 for HIV prescription drugs.

Diabetes. 34.2 million Americans, more than 10 percent of the population, have diabetes. The cost of the four most popular types of insulin have tripled in the past 10 years, with the average monthly price rising to $450 in 2016. Eli Lilly, for example, has hiked the price of its brand-name insulin, Humalog, 30 times in 20 years, from $21 per vial in 1998 to nearly $300 in 2018. As many as one in four of the 7.5 million Americans dependent on insulin are skipping or skimping on doses, which can lead to death.

High Out-Of-Pocket Costs Force Those With Disabilities To Go Without Prescriptions. A 2021 study found that increasing out-of-pocket costs by only $10 created a 23 percent decrease in Medicare beneficiaries taking medication as prescribed, and a 33 percent increase in mortality.

The Time To Rein In Drug Manufacturers And Expand Coverage Is Now

Healthcare Access Improves Financial Outcomes. A 2016 study found that people with disabilities are significantly more likely to be employed if they live in a Medicaid expansion state. In states that have not accepted Medicaid expansion, individuals with disabilities are 6 percentage-points less likely to be employed.

People With Disabilities Are Being Shut Out Of Lifesaving Coverage. If Republicans ended their pointless obstruction and expanded Medicaid in the remaining holdout states, more than 6 million people could enroll in coverage, including at least 500,000 people with disabilities.

Americans Want Congress To Rein In High Costs. With seemingly endless price increases and drug manufacturers putting profits over people, it’s no wonder three in four Americans don’t trust Big Pharma to do the right thing and set fair prices for prescription drugs.

Americans Need Negotiations Now. 86 percent of the public support the federal government negotiating lower prescription drug prices for Medicare recipients. H.R. 3 would save patients over $150 billion and reduce the price of the costliest drugs by as much as 55 percent.

Time To Cap Out-Of-Pocket Costs. 79 percent of Americans say the cost of prescription drugs is “unreasonable” with nearly 76 percent favoring an annual cap on out-of-pocket drug costs for Medicare beneficiaries.