

## **Lower Costs, Better Care for Californians**

There is an urgent need to lower health costs, expand coverage, and reduce racial health disparities across California. That is why it is essential to ensure critical health care measures supported by President Biden remain in upcoming budget reconciliation legislation, specifically empowering Medicare to negotiate for lower drug prices for all Americans, creating a federal solution to close the Medicaid coverage gap, expanding Medicare benefits to include dental, vision, and hearing, and making the premium reductions included in the American Rescue Plan permanent, so Californians can continue to access low-cost coverage.

Americans support bold action to lower health costs and curb soaring drug prices, with [88 percent](#) in favor of allowing Medicare to negotiate with pharmaceutical corporations to lower prices. President Biden is committed to tackling these issues head on, demonstrated by his commitment to expanding health coverage through [enhanced subsidies](#), closing the [Medicaid coverage gap](#), and [support](#) for Medicare drug price negotiation.

Californians depend on affordable health care, expanded access to coverage, and drug pricing reform to live healthy lives. Empowering the federal government to negotiate prescription drug prices would save Americans more than [\\$150 billion](#) at the pharmacy counter and create an additional [\\$500 billion](#) in savings for the federal government that could be reinvested to [reduce premiums](#), [expand Medicare benefits](#) to include dental, vision, and hearing, and close the Medicaid coverage gap in the 12 states that have [refused to accept expansion](#). We must act now.

### **The American Rescue Plan Has Helped 1,625,546 Californians Access Affordable Care**

- **Strong Marketplace Enrollment.** [More than 1.6 million](#) California residents have signed up for coverage through the Marketplace in 2021.
- **Increasing Health Coverage Access For Thousands of Californians.** The American Rescue Plan has [reduced or eliminated](#) Marketplace premiums for thousands in California. Under the plan, [394,000](#) uninsured Californians are newly eligible for health coverage tax credits and 57,100 individuals have access to coverage with zero dollar premiums.
- **Meaningful Savings On Premiums.** Premium savings under the American Rescue Plan benefit all Americans. For example, a 60-year-old couple with an annual income of \$75,000 will see their monthly premiums drop from \$1,809, to just \$531, saving more than [\\$1,278](#) each month.
- **Improving Maternal Health Access.** For new mothers, the American Rescue Plan has created a pathway to coverage, providing states the opportunity to extend [postpartum coverage](#) under Medicaid from 60 days to 12 months following birth. In August 2020, California expanded postpartum Medicaid coverage to 12 months for individuals diagnosed with a maternal mental health condition. More recently, California enacted legislation to more [broadly extend Medicaid postpartum coverage](#), regardless of mental health status.

## Lowering Prescription Drug Costs

- **Drug Price Hikes Are Outpacing Inflation.** In 2019, American prescription drug spending soared to [\\$369.7 billion](#), an increase of 5.7 percent, more than [three times](#) the inflation rate for the same period.
- **One Quarter Of Americans Struggle To Access Essential Medications.** [Nearly one in four](#) Americans taking prescription drugs struggles to afford needed medications, with 29 percent reporting not taking medications as instructed within the past year due to cost.
- **Drug Price Negotiation Would Save Billions.** The single most effective measure to bring down drug costs is to empower Medicare to negotiate prescription drug prices. Negotiation would save patients more than [\\$150 billion](#) and create [\\$500 billion](#) in savings for the federal government.
- **Reinvestment Of Savings.** When the federal government saves on drug costs, those funds become available to [reduce premiums](#), [expand Medicare benefits](#) to include dental, vision, and hearing, and close the [Medicaid coverage gap](#) in the 12 states that have [refused to accept expansion](#).
- **Medicare Drug Price Negotiation Is Overwhelming Popular.** [Nearly nine in ten](#) Americans support empowering Medicare to negotiate prescription drug prices.

### Drug Prices In California

- In 2019, Californians spent more than [\\$745 million](#) in cash on prescription drugs.
- In 2017, [22 percent](#) of California residents reported that they stopped taking a medication as prescribed due to cost. A 2021 survey found [nearly half](#) of Californians were concerned about the ability to afford prescription medications for themselves and family members.
- A 2021 survey found [74 percent](#) of Californians reported lowering the cost of prescription drugs was “extremely” or “very important”.
- In 2020, Governor Newsom signed legislation to lower the cost of prescription drugs by creating a state-sponsored generic drug label, [Medi-Cal Rx](#). Full Medi-Cal Rx implementation will begin in January of [2022](#).
- [More than seven million](#) Californians have chronic conditions like cancer, diabetes, and asthma that require prescription drugs for treatment and management.

## Expanding Coverage

- **Millions Nationwide Would Gain Stable Coverage.** [4.2 million](#) uninsured people would gain coverage if the American Rescue Plan's subsidies are made permanent, and millions more would continue to save on health care costs.
- **Permanent Health Coverage Subsidies Would Benefit Older Californians.** 1.6 million Californians selected a plan on the Marketplace in 2021, with older adults between [55 and 64](#) making up nearly a third of enrollees. The American Rescue Plan offers [significant relief](#) for older individuals, including those at 400 percent of the federal poverty level.

## Expanding Medicare Benefits

- **More than 3,600,000 Californians Would Benefit From Expanded Coverage.** Nearly [38 million](#) traditional Medicare enrollees would gain dental, vision, and hearing coverage if Medicare benefits were expanded. Due to lack of coverage, [nearly half](#) of Medicare beneficiaries did not seek dental care in the past year.
- **Medicare Beneficiaries Are 16 Percent Of California's Residents.** In 2018, [one in six](#) Californians were Medicare beneficiaries. Recent reports have found between [47](#) and [64](#) percent of Medicare beneficiaries do not have dental coverage, [74 percent](#) lack vision coverage, and [76 percent](#) go without hearing coverage.
- **Income And Racial Inequity Increase Health Disparities.** Half of all Medicare beneficiaries live on annual incomes below [\\$29,650](#), pushing dental, vision, and hearing coverage out of reach. For [beneficiaries of color](#) or those living in [rural](#) areas, accessing these essential benefits has become increasingly challenging.

## Senator Alex Padilla Is Standing Up For California Families

**Senator Padilla Supported Providing Relief For California Families With The American Rescue Plan.** Padilla [voted for](#) the American Rescue Plan, historic legislation that includes measures to expand coverage and to dramatically lower health care costs for thousands of California families. In addition to providing critical pandemic relief, the ARP lowers premiums for people purchasing coverage through the marketplaces and expands access to financial assistance for more middle-class families. Padilla [praised](#) the law, calling it "one of the most consequential pieces of legislation in our history that will have a lasting and transformational impact on our most vulnerable communities."

## Representative Sara Jacobs Is Fighting For Californians' Care

**Representative Sara Jacobs Is An Enthusiastic Supporter Of The American Rescue Plan, Providing Relief For California Families.** Jacobs [voted for](#) the American Rescue Plan, historic legislation that includes measures to expand coverage and to dramatically lower health care costs for thousands of California families. In addition to providing critical pandemic relief, the ARP lowers premiums for people purchasing coverage through the marketplaces and expands

access to financial assistance for more middle-class families. Jacobs praised the legislation, [saying](#) “This bill delivers. This recovery isn’t about going back to the way things were, which already wasn’t working for too many families. My colleagues and I were elected in the midst of a national crisis and tasked with rebuilding and reimagining a struggling economy.”

**Representative Sara Jacobs Is Dedicated To Lowering Prescription Drug Prices.** Jacobs understands the need to hold Big Pharma accountable and make prescription drugs more affordable, [saying](#) “The system is rigged in favor of the big prescription drug companies, who can set whatever prices they want. I...work to make health care...more affordable, by fighting to bring down out-of-pocket costs for things like co-pays and prescriptions [and] cracking down on drug companies for their runaway price increases.”