

The Inflation Reduction Act Lowers Costs For Americans With Cancer

What The Inflation Reduction Act Does For Americans with Cancer

The Inflation Reduction Act [will](#) drastically reduce the cost of prescription drugs for Americans enrolled in Medicare's Part D drug benefit by allowing Medicare to negotiate drug prices, preventing drug companies from raising prices faster than the rate of inflation, and capping out-of-pocket spending on drugs to \$2,000 a year for Medicare beneficiaries. This bill also extends enhanced American Care Act subsidies to allow more Americans to afford coverage therefore reducing racial, income, and geographic disparities in health care and saving lives. [Millions](#) of cancer patients and survivors will feel the direct financial impacts of affordable prescription drugs and health insurance from this bill.

By The Numbers:

- [30 percent](#) of Medicare beneficiaries who face high prices for cancer treatments don't fill their prescriptions.
- Medicare spent [\\$5.4 billion](#) on a cancer treatment drug Revlimid in 2020 alone.
- [1.4 million](#) Medicare patients spend more than \$2,000 on medications each year, including people who need high-cost cancer drugs
- Premium tax credits extended in the Inflation Reduction Act will allow [13 million](#) people with pre-existing conditions, including cancer, to save money on their insurance

The Inflation Reduction Act Lowers Health Care Costs

Capping Out-Of-Pocket Spending On Prescription Drugs Relieves Financial Stressors.

Medicare beneficiaries with serious conditions like cancer, multiple sclerosis, and rheumatoid arthritis could save thousands of dollars under the Inflation Reduction Act. In 2025, out-of-pocket costs for prescription drugs will be capped at [\\$2,000](#) per year for medications covered by Medicare Part D; directly lowering costs for the more than 1.4 million enrollees who paid more than \$2,000 on medication in 2020. A common drug often prescribed to Americans with cancer are brand-name oral oncolytics that can cost upwards of \$10,000 a year. [30 percent](#) of patients in need of oral oncolytics struggle to maintain treatment due to cost. A [quarter of American adults](#) have not filled a prescription, cutting pills in half, or skipped doses due to the cost of medication.

Extending Premium Subsidies Saves Lives. The Inflation Reduction Act extends enhanced premium subsidies through the end of 2025. Right now, [nearly 13 million](#) people, or 89 percent with an ACA plan, are receiving enhanced premium tax credits, making their coverage affordable and accessible. After two years of these subsidies, the Department of Health and Human Services released [an analysis](#) showing that just 8 percent of Americans lacked health insurance at the beginning of 2022 — an all-time low for the nation. Having affordable health care is [imperative](#) for Americans diagnosed with cancer and other chronic illnesses to receive necessary care, tests, and treatment.

Improves The Lives Of Seniors And People Of Color With Chronic Conditions. Seniors with chronic illnesses, such as cancer, on Medicare are expected to [benefit the most](#) from provisions in the Inflation Reduction Act. About [60 percent](#) of cancers occur in adults older than 65 years old. Older adults are also more likely to be diagnosed with cancer once it reaches the later stages of development. This is due to slower cell regeneration making cancer more difficult to spot in early stages of growth. People of color are also disproportionately impacted by certain cancers. Black people have the [highest death rate](#) and shortest survival rate than any other racial or ethnic group. Black men are twice as likely to die from prostate cancer and Black women over 50 are twice as likely to die from breast cancer than their white counterparts. Lower prescription drug prices for Medicare and the expansion of premium tax credits make affording care for these chronic conditions possible for older adults and people of color.

Gives Medicare The Power To Negotiate Lower Drug Prices. Under the Inflation Reduction Act, Medicare will be empowered to negotiate prices for select drugs for Medicare Part D's [49 million](#) beneficiaries. Beginning in 2026, [10 drugs](#) will be negotiated with that number increasing to 15 drugs in 2027, and 20 drugs in 2029 and into the future. By 2030, more than 80 drugs will be eligible for Medicare price negotiation, in addition to insulin products.