

PROTECT OUR CARE

The Inflation Reduction Act Turns One: Millions of Americans Are Saving On Health Care, With More To Come

One year ago, the Biden administration and Democrats in Congress made historic reforms to lower health care costs by passing the Inflation Reduction Act. The landmark law lowered the price of prescription drugs by giving Medicare the power to negotiate, capped the monthly price of insulin, and limited annual out-of-pocket drug costs for seniors. The Inflation Reduction Act also lowered the cost of health insurance premiums for millions of people who buy health insurance on their own.

Polling shows that the health care measures in the Inflation Reduction Act are overwhelmingly popular among Americans, with [over 80 percent](#) of Americans supporting the provision that allowed Medicare to negotiate drug prices.

Americans from all backgrounds are benefitting from this bill. Between lowering premium costs by an average of [\\$508](#) per month, capping insulin costs, and stopping Big Pharma's egregious price hikes, the new legislation is already working for the American people. Soon, seniors' drug costs will be capped at \$2,000 annually, and Medicare will finally be able to negotiate lower drug prices. All of these provisions help seniors as well as people of color, rural populations, people with disabilities, and the LGBTQI+ community who have faced greater levels of poverty and worse health outcomes due to racism, discrimination, and other systemic barriers.

WHO BENEFITTED:

- [1.5 million](#) Americans on Medicare who use insulin are now charged no more than \$35 per month for an insulin prescription.
- [12.5 million](#) Americans are saving an average of [\\$508](#) on monthly health insurance premiums.
- [50.5 million](#) of America's seniors are able to receive the shingles vaccination and other recommended vaccinations free of cost.
- Seniors on Medicare will be protected from drug company price hikes thanks to increased [inflation rebates](#).

WHAT'S STILL TO COME:

- By September 1, Medicare will [announce](#) the **first 10 drugs** that will have negotiated prices under the drug price negotiation program for prices effective in 2026.
- On October 1, Medicaid and CHIP beneficiaries [will have access](#) to recommended vaccinations free of cost.
- In 2024, [400,000](#) low-income seniors will receive more help affording prescription drugs through the Medicare Part D Low-Income Subsidy Program.

- In 2024, seniors with the highest brand-name drug costs will see relief because their coinsurance is phased out, effectively capping their out-of-pocket costs at [\\$3,250](#) for the year.
- In 2025, out-of-pocket costs in Medicare Part D will be capped at \$2,000, saving nearly **19 million Americans** an average of **\$400** each year.

THE TIMELINE:

2023 - Ends Outrageous Price Increases. The Inflation Reduction Act stopped Big Pharma from raising Medicare drug prices faster than the rate of [inflation](#) starting at the beginning of 2023. For example, Humira, a medication commonly used to treat rheumatoid arthritis, 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](#), including in January 2021 when it raised its cost by [7.4 percent](#). Over the [past 20 years](#), price increases for brand-name drugs in Medicare Part D have risen at more than twice the rate of inflation.

2023 - Insulin Capped At \$35 For Seniors. The Inflation Reduction Act caps monthly insulin costs at \$35 for Medicare beneficiaries, which helps 1.5 million Medicare enrollees who rely on insulin. Before this measure, on average, seniors with Medicare Part D or B who are not receiving subsidies pay an average of [\\$572](#) every year for this life-saving medication — an unthinkable sum for many on fixed incomes. Patients who suffer chronic complications can expect to pay upwards of an additional [\\$650](#) per year. Taking insulin as prescribed reduces the likelihood of costly complications such as vision loss, heart disease, and kidney disease. Republicans in Congress blocked this measure from being a universal insulin cap to help millions more Americans.

2023 - Health Insurance Premiums Lowered For Over 16 Million Americans. A record-breaking 16.4 million Americans enrolled in an ACA marketplace plan in 2023. Right now, 14.8 million, or 90 percent with an ACA plan, are [receiving](#) enhanced premium tax credits, making their coverage affordable and accessible. The Inflation Reduction Act [saves](#) an average middle-class family of four \$6,604 on their yearly premiums.

- **Coverage for Communities of Color Expanded To Address Health Care Equity.** The Center on Budget Policy and Priorities estimates the increased savings continued under the Inflation Reduction Act will cause a sharp decline in the uninsured rate across every racial group. The extended premium savings provided in the Inflation Reduction Act have made more than [65 percent](#) of uninsured Black adults eligible for zero-dollar premium plans and [75 percent](#) eligible for plans less than \$50 a month. For uninsured Hispanic and Latino adults, now more than [68 percent](#) are eligible for zero-dollar premium plans and nearly [80 percent](#) can access plans for less than \$50 a month. Health coverage access is imperative to reducing racial disparities in health coverage across the nation.

- **Premiums For Low-Wage Workers Eliminated.** The Inflation Reduction Act ensures no Americans with incomes at or below [150 percent](#) of the federal poverty level buying their coverage on the Marketplace pay a premium.
- **Costs For Rural America Cut.** Thanks to the provisions in the Inflation Reduction Act, roughly [65 percent](#) of rural Americans have access to zero-dollar premium health coverage and more than [76 percent](#) are able to find a plan for less than \$50 a month, narrowing the coverage differences between rural and urban America.

2023 - 50.5 Million Americans Can Receive Free Shingles Vaccinations. Thanks to the Inflation Reduction Act, 50.5 million seniors are eligible for no-cost shingles vaccinations. In 2020, nearly 4 million Medicare beneficiaries received the two-part shingles vaccination. With a single shot of Shingrix costing [\\$212](#), seniors on Medicare Part D are saving over \$400 on average on vaccinations in 2023. The high out-of-pocket cost of the shingles vaccine has been a key factor in low vaccination rates, especially among Black and Latino communities. This extends an important affordable preventive service to seniors on Medicare; Americans with private insurance can typically receive shingles vaccinations at no cost.

2023 - Better Coverage of Vaccinations For Medicaid Recipients Benefit Over 94 Million Americans. The Inflation Reduction Act also [requires](#) state Medicaid and CHIP programs to cover vaccines recommended by the CDC's Advisory Committee on Immunization Practices without out-of-pocket costs. This will allow an [estimated 4 million](#) adults to gain access to no-cost shingles vaccines. More accessible vaccinations will particularly help [low-income](#) families who rely on Medicaid, many of whom are people of color and people with disabilities.

2023 - Low-Income Seniors Will Receive Inflation Rebates For Drug Prices That Rise Faster Than The Rate Of Inflation. Seniors on Medicare are experiencing drug cost savings due to the [inflation rebate](#) drug manufacturers are required to pay the federal government if their drug prices rise faster than the rate of inflation. An analysis by KFF showed that [half of all drugs](#) covered by Medicare had list price increases exceeding the rate of inflation in 2020.

2023 - Medicare Will Announce First 10 Drugs That Will Be Negotiated. The Biden administration is implementing the Medicare drug price negotiation program that is [supported](#) by over 80 percent of Americans — the most popular provision in the entire Inflation Reduction Act. This fall, the first [10](#) drugs that will be negotiated will be announced, and the first round of negotiations will occur during 2023 and 2024. The prices that are negotiated will be effective starting in 2026.

2025 - The Inflation Reduction Act Will Save Seniors On Medicare Nearly \$400 Annually On Prescription Drugs. The Biden administration's Inflation Reduction Act will save Americans an average of \$396 thanks to the \$2,000 annual cost cap, which begins in 2025. To help seniors with the highest drug costs starting in 2024, over 38 million Americans will save an average of \$462 because they will no longer have to pay a 5% coinsurance when they reach the catastrophic phase of the Part D benefit.