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A multi-generational Black family of six is posed together on a brown leather couch. In the back row, a man with a shaved head and a woman with long dark hair are smiling. In the front row, a woman and a man are seated, each holding a young child on their lap. The woman on the left is holding a young boy with curly hair, and the man on the right is holding a young girl with pigtails. All six family members are smiling warmly at the camera. The background consists of light-colored vertical blinds.

# Lowering Costs for Black Americans

How the Inflation Reduction Act Makes Health Care and  
Prescription Drugs More Affordable

PROTECT  
OUR CARE

NAACP





Thanks to the Inflation Reduction Act, championed by President Biden and Democrats in Congress, health care and prescription drugs are becoming more affordable for more people in the United States. For people who have historically been marginalized and faced difficulty receiving the care they need, Black Americans in particular, these lower costs are translating to better access to care.

Historically, Black Americans have faced barriers to achieving and maintaining optimal health. Research shows that many Black Americans are more likely to suffer from diseases like diabetes, hypertension, stroke, heart failure, and end-stage renal failure – adding to the life-threatening burden that the high cost of prescription drugs poses for many seniors. Many Black Americans are also [more likely](#) to report [difficulty affording](#) prescription medications.

The Biden-Harris administration, consistent with their [commitment](#) to advancing racial equity for underserved communities, is implementing the Inflation Reduction Act (IRA), which includes numerous programs that lower health care premiums and prescription drug costs. Thanks to the IRA, Black Americans enrolled in Medicare benefit from low-cost insulin, no-cost recommended vaccines, rebates for drugs with prices rising faster than inflation, and Extra Help for seniors with incomes below \$22,000. Meanwhile, record numbers of Black Americans have enrolled in low- or no-cost Affordable Care Act Marketplace plans made more affordable by enhanced tax credits that lower premiums. In the coming years, millions more seniors will benefit from a cap on out-of-pocket prescription drug costs and lower drug prices negotiated through Medicare. These policies lower costs and improve access to care, which are essential for improving the health and well-being of Black Americans nationwide.

# The Problem: Black Americans disproportionately face adverse health outcomes:

- Black American seniors are among the most likely of any other race or ethnicity to experience **difficulty affording prescription medications**, with [nearly 10 percent](#) reporting affordability problems. Black seniors report not getting needed prescriptions due to cost at more than twice the rate of their white counterparts.
- Black Americans are [60 percent more likely](#) to be diagnosed with **diabetes** and [twice as likely](#) to die from the disease when compared to their white counterparts.
- Black Americans are [2.5 times as likely](#) to be hospitalized for complications of **diabetes** and have [nearly three times](#) higher rates of emergency department visits for the disease than their white counterparts.
- Black Americans are [more than three times as likely](#) to be diagnosed with **end-stage renal disease related to diabetes** compared to their white counterparts.
- Black Americans are [more likely](#) to have activity limitations due to **arthritis** than their white counterparts.
- Black Americans are [30 percent more likely](#) to die from **heart disease** and [30 percent more likely](#) to have **high blood pressure** than their white counterparts.
- Black Medicare beneficiaries have [nearly 2.5 times](#) higher rates of emergency department visits for **hypertension** and [more than twice](#) the emergency care rates for **heart failure** than their white counterparts.
- Black Medicare beneficiaries have the [highest](#) **hospital readmission rates** of any racial or ethnic group and are more likely to be hospitalized at the **lowest-quality hospitals**, accounting for 28 percent of discharges from one-star hospitals but just 7 percent of discharges from five-star hospitals.

Black Americans, particularly seniors, are among the [most likely](#) to experience **affordability challenges** of any racial or ethnic group in America. The median income for Black Medicare beneficiaries was [just \\$17,350](#) in 2019 – nearly half of white Medicare enrollees’ median incomes – and about [63 percent](#) of Medicare-eligible Black adults have family incomes below 200 percent of the supplemental federal poverty level compared to [just 39 percent](#) of their white counterparts (who also have about [eight times higher](#) median per capita savings readily available than Black American Medicare beneficiaries).



## The Promise: The Inflation Reduction Act advances health equity for Black Americans in seven key ways:

### 1. Caps Monthly Insulin Costs at \$35 for Medicare Enrollees.

The new law capped monthly insulin copays for people on Medicare at [\\$35](#), which helps [about 158,000](#) Black American Medicare enrollees [save approximately \\$500 annually](#). Before the IRA, [more than a third](#) of insulin fills for Medicare enrollees required patients to pay more than \$35 out-of-pocket per month, and nearly a quarter of insulin fills [exceeded \\$70 in cost-sharing](#).

### 2. Provides Seniors Recommended Vaccines at No Cost.

The new law eliminated cost-sharing for recommended vaccines covered under Medicare Part D, which covers [at least 5.2 million](#) Black Americans. This critical change helps [address affordability barriers](#) for many Black American beneficiaries. If the new vaccine provisions had been in effect in 2021, [about 266,000](#) Black American enrollees would not have had any out-of-pocket costs for getting vaccinated. Improved affordability may also reduce existing racial and ethnic disparities in access to these vaccines, and vaccinations are particularly important for this group because seniors can be [more susceptible to infectious diseases](#) due to natural changes in the immune system that come with aging.



### 3. Gives Seniors Rebates for Prescription Costs That Increase More Than Inflation.

The new law requires drug companies to pay Medicare [rebates](#) if their drug prices rise faster than inflation, and those rebates are passed on as savings to seniors. For decades, big drug companies have been launching new drugs at sky-high prices and [continuously raising prices faster than inflation](#), hurting the individuals reliant on them all while making [record profits](#). An analysis by the Kaiser Family Foundation showed that [half of all drugs](#) covered by Medicare had list price increases exceeding the rate of inflation in 2020 – and [existing racial and ethnic economic disparities](#) place additional pressures on Black Americans and make it even more challenging to keep up with drug prices rising faster than inflation.

### 4. Improves The Extra Help Program.

Starting this year, the new law [expands eligibility](#) for the Extra Help program, also known as the low-income subsidy (LIS), up to 150 percent of the federal poverty level, saving eligible enrollees [an annual average of \\$300](#) in out-of-pocket costs. The Extra Help program, which saves beneficiaries an estimated average of [\\$5,300 a year](#), disproportionately serves Black American beneficiaries. The share of Black American Medicare enrollees receiving the benefit ([approximately 2.9 million people](#)) is [1.9 times higher](#) than the overall proportion of Medicare Part D beneficiaries who identify as Black Americans. This expansion will extend full Extra Help benefits – including deductible-free, premium-free care with low, fixed copayments for covered Part D medications – to [about 51,000](#) Black American Medicare enrollees previously receiving partial benefits.

### 5. Limits Out-of-Pocket Spending to \$2,000.

Starting in 2025, the new law imposes a maximum out-of-pocket cap of \$2,000 in drug spending, which can be spread out over the course of the year so seniors with the highest drug costs won't have to pay such high costs at the beginning of the year. Black American Medicare enrollees, who tend to [face higher rates](#) of diabetes, hypertension, stroke, heart failure, and end-stage renal failure, will benefit from these provisions because out-of-pocket drug spending on prescription drugs is highest for those who rely on high-cost treatments for serious health conditions. According to HHS projections, the out-of-pocket cap could save [more than 2.6 million](#) Black American enrollees an [average of 36 percent](#) in out-of-pocket costs by 2025, which amounts to savings of approximately \$113 annually for each enrollee. Thanks to the IRA, Black American beneficiaries could see the [greatest reduction](#) in out-of-pocket spending of any racial or ethnic group.

## 6. Lowers Drug Prices Through Medicare Negotiation.

The Inflation Reduction Act allows Medicare to [negotiate lower drug prices](#) directly with drug companies. By negotiating lower prices for these prescription drugs, Medicare will give Black American enrollees better access to the lifesaving medications they need. By 2030, Medicare will negotiate lower prices for 80 drugs. This August, Medicare announced the first 10 drugs selected for negotiation, which include:

- **Eliquis**, a drug used to treat blood clots manufactured by Bristol Myers Squibb and Pfizer.
- **Januvia**, a type 2 diabetes drug manufactured by Merck.
- **Xarelto**, a blood clot drug manufactured by Johnson & Johnson's Janssen Pharmaceuticals and Bayer.
- **Fiasp**, a newer formulation of the diabetes drug known as NovoLog manufactured by Novo Nordisk.
- **Enbrel**, an immunosuppressant drug manufactured by Amgen.
- **Imbruvica**, a leukemia drug manufactured by AbbVie and Johnson & Johnson.
- **Jardiance**, a type 2 diabetes drug manufactured by Boehringer Ingelheim and Eli Lilly.
- **Farxiga**, a diabetes, heart failure, and kidney disease drug manufactured by AstraZeneca.
- **Stelara**, a drug for psoriasis, psoriatic arthritis, Crohn's disease, and ulcerative colitis manufactured by Johnson & Johnson.
- **Entresto**, a heart failure drug manufactured by Novartis.

**Several Drugs Selected for Lower Negotiated Prices are Disproportionately Taken by Black American Medicare Enrollees.** Of the first ten drugs selected for negotiation, six are disproportionately taken by Black Medicare enrollees (see Table 1). While [10.7 percent](#) of Medicare Part D enrollees identify as Black Americans:

- **18 percent** of beneficiaries taking the heart failure drug **Entresto** are Black Americans. The negotiation program could lower costs for [approximately 90,000](#) Black American enrollees taking Entresto as of 2022.
- **17 percent** of beneficiaries taking the diabetes drug **Fiasp/NovoLog** are Black Americans. The negotiation program could lower costs for [approximately 5,620](#) Black American enrollees taking Fiasp/NovoLog as of 2022.
- **16 percent** of beneficiaries taking the diabetes drug **Januvia** are Black Americans. The negotiation program could lower costs for [approximately 144,000](#) Black American enrollees taking Januvia as of 2022.
- **16 percent** of beneficiaries taking the diabetes, heart failure, and kidney disease drug **Farxiga** are Black Americans. The negotiation program could lower costs for [approximately 96,000](#) Black

American enrollees taking Farxiga as of 2022.

- **14 percent** of beneficiaries taking the diabetes drug **Jardiance** are Black Americans. The negotiation program could lower costs for [approximately 182,000](#) Black American enrollees taking Jardiance as of 2022.
- **11 percent** of beneficiaries taking the rheumatoid arthritis drug **Enbrel** are Black Americans. The negotiation program could lower costs for [approximately 5,500](#) Black American enrollees taking Enbrel as of 2022.

**Table 1: Several Drugs Selected for Lower Negotiated Prices Are Disproportionately Taken by Black American Medicare Enrollees.**

Drug	Condition(s) Treated	Percentage of Black American Part D Enrollees Who Take The Drug	Difference From Overall Medicare Part D Population*
Entresto	Heart failure	18 percent	1.68 times higher
Fiasp/NovoLog	Diabetes	17 percent	1.59 times higher
Januvia	Diabetes	16 percent	1.5 times higher
Farxiga	Diabetes, heart failure, and kidney disease	16 percent	1.5 times higher
Jardiance	Diabetes	14 percent	1.31 times higher
Enbrel	Rheumatoid arthritis	11 percent	1.03 times higher

*\*10.7 percent of Medicare Part D enrollees identify as Black Americans*

**More Than Half of The First Ten Drugs Selected for Lower Negotiated Prices Treat Conditions That Disproportionately Impact Black Americans.** More than half of the drugs selected for negotiation also treat conditions that disproportionately impact Black Americans. For example, when compared to their white counterparts:

- Black Americans are [60 percent more likely](#) to be diagnosed with diabetes and [twice as likely](#) to die from the disease, which is treated by Januvia, Jardiance, Farxiga, and Fiasp/NovoLog
- Black Americans are [2.5 times as likely](#) to be hospitalized for complications of diabetes and have [nearly three times](#) higher rates of emergency department visits for diabetes.
- Black Americans are [more than three times as likely](#) to be diagnosed with end-stage renal disease related to diabetes. Farxiga treats kidney disease and diabetes.
- Black Americans are [more likely](#) to have activity limitations due to arthritis than their white counterparts. Enbrel treats arthritis.
- Black Americans are [30 percent more likely](#) to die from heart disease and [30 percent more likely](#) to have high blood pressure than their white counterparts.
- Black American Medicare beneficiaries have [nearly 2.5 times](#) higher rates of emergency department visits for hypertension and [more than twice](#) the emergency care rates for heart failure

than their white counterparts. Farxiga and Entresto treat heart failure and high blood pressure can cause blood clots, which Eliquis and Xarelto treat.

## 7. Enhanced Advanced Premium Tax Credits.

The Inflation Reduction Act made health care premiums more affordable for millions of Americans by increasing the advanced premium tax credits (APTCs), which are used to lower premiums, and making them available to more people. This change saves the average consumer [over \\$800 per year](#) on premiums, and [around 90 percent](#) of people selecting marketplace plans receive APTCs – [approximately 19 million people](#). The Biden-Harris administration has also [substantially increased](#) outreach and education efforts to ensure people know these affordable health plans are available to them. Both of these changes have led to increases in enrollment among Black Americans. Between 2020 and 2022, Black Americans' enrollment in low- or no-cost Marketplace plans [increased 49 percent](#). These efforts are critical in [helping reduce coverage disparities](#), as Black Americans face uninsurance rates [nearly 1.7 times higher](#) than their white counterparts.







## Spotlight on the States: States with the highest Black American populations continue to benefit from the Inflation Reduction Act.



Georgia is home to [more than 3.5 million](#) people who fully or partially identify as Black Americans, representing more than [33 percent](#) of the state's population. [At least 459,000](#) Black Georgians are enrolled in Medicare. Thanks to the Inflation Reduction Act:

- The **\$35 insulin cost cap** saves [more than 45,000](#) Georgians on Medicare who use insulin an average of \$477 in out-of-pocket spending.
- **Recommended vaccines** are now free for [more than 1.4 million](#) Georgians enrolled in Medicare Part D. Before the Inflation Reduction Act, seniors had to spend [up to \\$424](#) on their two-part shingles shots.
- The **\$2,000 annual out-of-pocket cost cap** will save [589,320 Georgians](#) an average \$394.96, effective in 2025.
- **Drug negotiations** will benefit [more than 280,000](#) Georgia Medicare enrollees paying between \$119 and \$4,998 in average out-of-pocket costs for the first ten drugs subject to price negotiations.
- **APTC expansion** saves [nearly 795,000](#) Georgians an average of [\\$489](#) on monthly health insurance premiums – a [43 percent cost reduction](#). ACA marketplace enrollment in Georgia has also [risen](#) more than 150 percent [since 2021](#).



New York has the fourth-largest proportion of people who fully or partially identify as Black Americans – about 3.5 million people, and [at least 425,600](#) Black New Yorkers are enrolled in Medicare. Thanks to the Inflation Reduction Act:

- **The \$35 insulin cost cap** saves [more than 75,000](#) New Yorkers on Medicare who use insulin an average of \$483 in out-of-pocket spending.
- **Recommended vaccines** are now free for the approximately [1.3 million](#) New Yorkers enrolled in Medicare Part D. Before the Inflation Reduction Act, seniors had to spend [up to \\$424](#) on their two-part shingles shots.
- **The \$2,000 annual out-of-pocket cost cap** will save [more than 1.1 million](#) New Yorkers an average \$389.63, effective in 2025.
- **Drug negotiations** will benefit [more than 653,000](#) New York Medicare enrollees paying between \$89 and \$3,479 in average out-of-pocket costs for the first ten drugs subject to price negotiations.
- **APTC expansion** saves [nearly 114,000](#) New Yorkers an average of [\\$361](#) on monthly health insurance premiums. ACA marketplace enrollment in New York has also [risen](#) nearly 30 percent [since 2021](#).



Virginia is home to [more than 1.8 million](#) people who fully or partially identify as Black Americans – [over 21 percent](#) of the state's population – and [at least 251,300](#) Black Virginians are enrolled in Medicare. Thanks to the Inflation Reduction Act:

- **The \$35 insulin cost cap** saves [more than 36,000](#) Virginians on Medicare who use insulin an average of \$510 in out-of-pocket spending.
- **Recommended vaccines** are now free for [more than 1 million](#) Virginians enrolled in Medicare Part D. Before the Inflation Reduction Act, seniors had to spend [up to \\$424](#) on their two-part shingles shots.
- **The \$2,000 annual out-of-pocket cost cap** will save [390,400 Virginians](#) an average \$440.62, effective in 2025.
- **Drug negotiations** will benefit [more than 193,000](#) Virginia Medicare enrollees paying between \$126 and \$6,262 in average out-of-pocket costs for the first ten drugs subject to price negotiations.
- **APTC expansion** saves [nearly 300,000](#) Virginians an average of [\\$408](#) on monthly health insurance premiums – a [44 percent cost reduction](#). ACA marketplace enrollment in Virginia has also [risen](#) over 50 percent [since 2021](#).

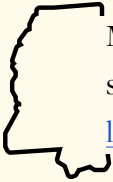


As the largest state in the country, **California** also has one of the largest Black American populations as well – [more than 2.8 million](#) people who fully or partially identify as Black Americans. [At least 330,000](#) Black Californians are enrolled in Medicare. Thanks to the Inflation Reduction Act:

- **The \$35 insulin cost cap** saves [more than 108,000](#) Californians on Medicare who use insulin an

average of \$477 in out-of-pocket spending.

- **Recommended vaccines** are now free for the approximately [5.4 million](#) Californians enrolled in Medicare Part D. Before the Inflation Reduction Act, seniors had to spend [up to \\$424](#) on their two-part shingles shots.
- **The \$2,000 annual out-of-pocket cost cap** will save [nearly 2.2 million](#) Californians an average \$295.51, effective in 2025.
- **Drug negotiations** will benefit [more than 830,000](#) California Medicare enrollees paying between \$64 and \$4,297 in average out-of-pocket costs for the first ten drugs subject to price negotiations.
- **APTC expansion** saves [more than 1.5 million](#) Californians an average of [\\$485](#) on monthly health insurance premiums. ACA marketplace enrollment in California has also [risen](#) by over 100,000 [since 2021](#).



**Mississippi** has the largest share of people who fully or partially identify as Black Americans of any state in the country – [more than 1.1 million](#) people, forming [nearly 40 percent](#) of the state population. [At least 180,000](#) Black Mississippians are enrolled in Medicare. Thanks to the Inflation Reduction Act:

**The \$35 insulin cost cap** saves [more than 15,000](#) Mississippians on Medicare who use insulin an average of \$543 in out-of-pocket spending.

- **Recommended vaccines** are now free for [nearly 470,000](#) Mississippians enrolled in Medicare Part D. Before the Inflation Reduction Act, seniors had to spend [up to \\$424](#) on their two-part shingles shots.
- **The \$2,000 annual out-of-pocket cost cap** will save [more than 203,000](#) Mississippians an average \$364.26, effective in 2025.
- **Drug negotiations** will benefit [more than 99,000](#) Mississippi Medicare enrollees paying between \$103 and \$6,040 in average out-of-pocket costs for the first ten drugs subject to price negotiations.
- **APTC expansion** saves [more than 170,000](#) Mississippians an average of [\\$583](#) on monthly health insurance premiums – a [51 percent cost reduction](#). ACA marketplace enrollment in Mississippi has also [risen](#) over 155 percent [since 2021](#).



**Louisiana** has the second-largest share of people who fully or partially identify as Black Americans of any state in the country – [more than 1.5 million](#) people, or [around 1 in 3](#) Louisianians. [At least 226,200](#) Black Louisianians are enrolled in Medicare. Thanks to the Inflation Reduction Act:

- **The \$35 insulin cost cap** saves [more than 22,000](#) Louisianians on Medicare who use insulin an average of \$412 in out-of-pocket spending.
- **Recommended vaccines** are now free for [around 730,000](#) Louisianians enrolled in Medicare Part D. Before the Inflation Reduction Act, seniors had to spend [up to \\$424](#) on their two-part shingles shots.



- **The \$2,000 annual out-of-pocket cost cap** will save [around 327,000](#) Louisianians an average \$320.05, effective in 2025.
- **Drug negotiations** will benefit [more than 151,000](#) Louisiana Medicare enrollees paying between \$93 and \$4,500 in average out-of-pocket costs for the first ten drugs subject to price negotiations.
- **APTC expansion** saves [around 112,000](#) Louisianians an average of [\\$681](#) on monthly health insurance premiums – a [49 percent cost reduction](#). ACA marketplace enrollment in Louisiana has also [risen](#) by over 155 percent [since 2021](#).



**BONUS:** Even though the **District of Columbia** is not a state, it is home to the largest proportion of people who identify as fully or partially Black Americans of any subnational entity in the United States – [around 47 percent](#) of Washington D.C. residents, or [more than 320,000](#) people. [At least 47,500](#) Black Americans in Washington D.C. are enrolled in Medicare. Thanks to the Inflation Reduction Act:

- **The \$35 insulin cost cap** benefits [around 5,000](#) Washington D.C. residents on Medicare who use insulin.
- **Recommended vaccines** are now free for [nearly 62,000](#) D.C. residents enrolled in Medicare Part D. Before the Inflation Reduction Act, seniors had to spend [up to \\$424](#) on their two-part shingles shots.
- **The \$2,000 annual out-of-pocket cost cap** will save [more than 33,000](#) D.C. residents an average \$183.87, effective in 2025.
- **Drug negotiations** will benefit [more than 10,000](#) D.C. Medicare enrollees paying between \$41 and \$4,826 in average out-of-pocket costs for the first ten drugs subject to price negotiations.
- **APTC expansion** saves [thousands of D.C. residents](#) an average of [\\$361](#) on monthly health insurance premiums.