

FACT SHEET: Seniors Across the Country Are Saving Millions of Dollars in Health Care Costs Because of President Biden's Prescription Drug Law

New data from the Department of Health and Human Services shows how much seniors in every state could save because of cost-saving provisions of the Inflation Reduction Act

Today, the Biden-Harris Administration released new data showing how President Biden's prescription drug law is lowering health care costs and prescription drug prices for seniors across the country. Americans pay [two to three](#) times more for prescription drugs than citizens in other countries and the President and Congressional Democrats took on special interests to finally lower prices for Americans. Last August, President Biden signed into law the Inflation Reduction Act, which for the first time allows Medicare to negotiate lower prescription drug prices for seniors, caps the cost of insulin at \$35, makes recommended vaccines free for Medicare beneficiaries, and requires prescription drug companies to pay rebates to Medicare if they raise their prices faster than inflation.

Already, millions of seniors are saving hundreds of dollars each per year because of the Biden Administration's actions, and President Biden is fighting to expand these cost savings to all Americans. Last week, he released his FY2024 budget which proposes expanding Medicare's negotiation authority to increase the number of drugs selected for negotiation sooner after they launch, making manufacturers pay rebates if they raise drug prices faster than inflation in the commercial market, and capping the price of insulin at \$35 per month for everyone— not just seniors. Already, two of the three largest producers of insulin in the country – Eli Lilly and Novo Nordisk – announced they're meeting President Biden's call and lowering insulin costs.

New data and actions released today show that the Administration is delivering on its promise to lower health care costs for the American people:

New Report Suggests 3.4 Million Seniors and People with Disabilities Could Save An Average of \$70 Per Year Because of Free Recommended Vaccines

The Department of Health and Human Services (HHS) released a new report today showing the savings people with Medicare will now enjoy because President Biden's Inflation Reduction Act makes recommended Part D vaccines free for beneficiaries. The report finds that 3.4 million people with Medicare would have saved \$234 million in out-of-pocket costs in 2021 – an average of \$70 per person - had the Inflation Reduction Act been in effect then. HHS expects the actual number of people who will benefit from these cost savings in 2023 will be larger than the 2021 figures because removing out-of-pocket costs will make the vaccines more affordable for the 51 million Medicare beneficiaries enrolled in a Part D plan. A state-by-state breakdown of cost-savings that Medicare beneficiaries would have experienced in 2021 can be found below.

HHS released data earlier this year that show that 1.5 million seniors and others on Medicare with diabetes would have saved, on average, \$500 each per year on insulin if the Inflation Reduction Act's \$35 cap on a month's supply of insulin had been in effect in 2020. To view a state-by-state breakdown of number of Medicare enrollees who are benefitting from President Biden's \$35 cap on insulin visit [HHS's website](#).

HHS Announces First Set of Prescription Drugs Subject to Inflation Rebates, Putting Money Back into Seniors' Pockets Starting in April

EMBARGOED FOR 5:00 AM ET WEDNESDAY, MARCH 15, 2023

Today HHS also announced the first set of Part B prescription drugs that will be subject to Medicare inflation rebates because they raised their prices faster than inflation. President Biden's prescription drug law includes critical checks to ensure that prescription drug companies have to pay back Medicare if they raise prices on seniors at a higher rate than inflation. Starting in April, some Medicare beneficiaries will have lower coinsurance for the 27 prescription drugs that raised prices faster than inflation in the last quarter of 2022. Seniors may see their out-of-pocket costs for these drugs decrease by \$2 to as high as \$390 per average dose starting April 1st.

In addition to making drug companies pay Medicare back for increasing their prices faster than inflation, this provision of the Inflation Reduction Act discourages other companies from doing the same, with the goal of reining in excessive drug price hikes year-over-year. According to a [recent report](#) from HHS, 1,200 prescription drugs increased their prices faster than inflation in 2021 – the year before Congressional Democrats passed and President Biden signed into law the Inflation Reduction Act.

The 27 drugs subject to Medicare inflation rebates and the coinsurance adjustment rates are below:

Name	Coinsurance Percentage (Normally 20.000%)
Abelcet	19.180%
Akynzeo	16.213%
Atgam	17.830%
Aveed	19.239%
Bicillin C-R	18.921%
Bicillin L-A	18.514%
Carnitor	13.918%
Cytogam	18.983%
Elzonris	19.969%
Fetroja	10.274%
Flebogamma DIF	17.655%
Folotyn	19.965%
Fragmin	13.995%
Humira	19.529%
Leukine	19.648%
Minocin	19.288%
Mircera	17.614%
Nipent	17.269%
Padcev	19.470%
Rybrevant	19.747%
Signifor LAR	18.406%
Sylvant	19.777%
Tecartus	19.958%
Winrho SDF	19.882%
Xiaflex	18.960%
Xipere	18.969%
Yescarta	19.937%

Biden Administration to Take Critical Step in Allowing Medicare to Negotiate Down the Price of Prescription Drugs

For decades, leaders have tried to take on Big Pharma and allow Medicare to negotiate lower prescription drug costs for seniors and failed. President Biden and Congressional Democrats finally got it done with the Inflation Reduction Act. Later this year, Medicare will begin negotiating lower prescription drug prices for its beneficiaries, and today, the Biden Administration will take a critical step in that process. The Centers for Medicare and Medicaid Services (CMS) within HHS will release initial guidance on its drug price negotiation process, which will outline how the agency will select drugs for negotiation and how those negotiations will be conducted.

The ability to negotiate lower prescription drug prices is one of the most powerful tools Medicare has to lower health care costs for American seniors and families. To that end, President Biden last week called for expanding Medicare's negotiating authority to cover more drugs, sooner after they launch, when he released his FY2024 budget.

To read more about Medicare's new ability to negotiate prescription drug prices, visit [HHS's website](#).

Out-of-Pocket Costs for Medicare Part D Enrollees on Part D Covered Vaccines in 2021, by State

More details on the out-of-pocket cost savings for vaccines as a result of President Biden's Inflation Reduction Act are below.

State	Number of Enrollees	Total Costs on Recommended Vaccines in 2021	Average Savings per Beneficiary with \$0 Recommended Vaccines
Alabama	46,572	\$2,608,021	\$56.00
Alaska	4,668	\$219,176	\$46.95
Arizona	69,793	\$5,458,900	\$78.22
Arkansas	23,029	\$1,993,391	\$86.56
California	403,144	\$20,485,565	\$50.81
Colorado	56,425	\$4,443,029	\$78.74
Connecticut	48,313	\$2,953,012	\$61.12
Delaware	12,224	\$934,702	\$76.46
District of Columbia	5,038	\$164,954	\$32.74
Florida	227,344	\$17,871,526	\$78.61
Georgia	93,651	\$6,946,928	\$74.18
Hawaii	21,995	\$1,010,558	\$45.94
Idaho	17,156	\$1,863,104	\$108.60
Illinois	109,816	\$9,910,342	\$90.24
Indiana	77,232	\$6,123,585	\$79.29
Iowa	36,510	\$4,259,984	\$116.68
Kansas	28,166	\$3,030,515	\$107.59
Kentucky	37,289	\$2,566,639	\$68.83
Louisiana	37,982	\$2,448,642	\$64.47
Maine	24,520	\$1,660,212	\$67.71

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State	Number of Enrollees	Total Costs on Recommended Vaccines in 2021	Average Savings per Beneficiary with \$0 Recommended Vaccines
Maryland	55,924	\$2,941,648	\$52.60
Massachusetts	97,115	\$4,990,803	\$51.39
Michigan	137,918	\$7,912,422	\$57.37
Minnesota	71,667	\$6,887,417	\$96.10
Mississippi	15,719	\$1,371,952	\$87.28
Missouri	62,795	\$4,728,828	\$75.31
Montana	10,920	\$1,354,807	\$124.07
Nebraska	20,708	\$2,435,991	\$117.64
Nevada	23,739	\$1,862,211	\$78.45
New Hampshire	16,111	\$1,459,622	\$90.60
New Jersey	75,358	\$5,585,343	\$74.12
New Mexico	24,729	\$1,473,385	\$59.58
New York	181,732	\$9,008,318	\$49.57
North Carolina	114,385	\$7,743,573	\$67.70
North Dakota	8,662	\$1,100,209	\$127.02
Ohio	135,253	\$10,091,367	\$74.61
Oklahoma	32,631	\$2,337,476	\$71.63
Oregon	53,531	\$4,404,782	\$82.28
Pennsylvania	177,459	\$10,723,347	\$60.43
Rhode Island	12,834	\$877,907	\$68.40
South Carolina	59,695	\$4,237,362	\$70.98
South Dakota	10,136	\$1,443,301	\$142.39
Tennessee	58,792	\$4,416,899	\$75.13
Texas	203,593	\$13,966,302	\$68.60
Utah	21,768	\$2,085,598	\$95.81
Vermont	9,224	\$869,667	\$94.28
Virginia	71,069	\$5,950,166	\$83.72
Washington	96,065	\$7,042,902	\$73.31
West Virginia	16,159	\$917,539	\$56.78
Wisconsin	81,269	\$6,467,545	\$79.58
Wyoming	4,413	\$570,703	\$129.32
Total	3,364,518	\$234,454,174	\$69.68

Source: ASPE analysis of the CMS 2021 Medicare Prescription Drug Event (PDE) and Medicare enrollment data files. Notes: Estimates are presented for enrollees who received any Part D covered vaccines. For vaccines that require multiple doses to complete the vaccination series, estimates include all doses received in 2021.

Totals include enrollees residing in U.S. territories or outside the United States.