

United States Senate

WASHINGTON, DC 20510

October 3, 2024

The Honorable Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Ave., SW
Washington, D.C. 20201

Dear Secretary Becerra:

Thank you for your ongoing commitment to lowering the cost of health care across the Nation. In just a few months, as a result of the *Inflation Reduction Act (IRA)*, a \$2,000 cap on out-of-pocket prescription drug costs will go into effect. The new cap will allow nearly 19 million Medicare beneficiaries to reduce their spending on prescription drugs. We must do more to ensure that older adults understand their new options and benefits. A lack of information and communication could leave older adults paying more and missing out on benefits to which they are entitled. As this and other prescription drug pricing provisions from the IRA take effect, we urge the Department of Health and Human Services (HHS) to increase outreach efforts to older adults to ensure they are aware of how to benefit from the law.

When Congress passed the IRA, we fought to ensure the legislation included significant steps to improve prescription drug affordability by allowing Medicare to negotiate drug prices, capping out of pocket costs for Medicare beneficiaries, lowering insulin costs, and decreasing prescription drug costs for low-income Medicare beneficiaries. Last year, the Centers for Medicare & Medicaid Services (CMS) began to negotiate with pharmaceutical companies to lower the price of prescription drugs and in August, CMS announced the negotiated maximum fair prices for the first 10 drugs under the IRA's negotiation program. Medicare enrollees taking these 10 drugs paid a total of \$3.4 billion in out-of-pocket costs in 2022. Had the IRA been in effect in 2023, Medicare would have saved \$6 billion, and beneficiaries would have saved \$1.5 billion in copays and other expenses. Additional drugs will be negotiated each year under this program, largely expanding the affordability of prescription drugs for Medicare beneficiaries.

Starting in 2023, cost-sharing was eliminated for vaccines covered by Medicare Part D. According to HHS, 10.3 million Medicare Part D enrollees received a recommended vaccine free of charge, which saved beneficiaries more than \$400 million in out-of-pocket costs. This includes 3.9 million older adults who received a shingles vaccine, which is an increase of about 42 percent from 2021.

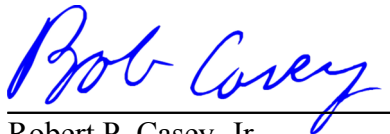
In January 2024, the IRA also capped out of pocket costs for insulin at \$35 per month for Medicare beneficiaries enrolled in Part B and Part D. Had the IRA been in effect in 2020, 1.5 million Medicare beneficiaries would have benefited, saving about \$734 million in Part D and \$27 million in Part B, or about \$500 in average annual savings per beneficiary. Thanks to pressure from the IRA, three of the largest U.S. insulin manufacturers have capped out-of-pocket insulin costs for even more patients.

In January 2025, Medicare Part D enrollees will benefit from a \$2,000 cap on out-of-pocket drug costs. This redesign will reduce beneficiary out-of-pocket spending by about \$7.4 billion each year among more than 18.7 million enrollees in 2025. This will save nearly \$400 per person in out of pocket costs each year.

CMS has provided some information about the upcoming implementation of the out-of-pocket cap, with detailed guidance regarding the Medicare Prescription Payment Plan to Part D plan sponsors and a fact sheet for consumers and Medicare beneficiaries. But CMS must do more to inform older adults about the details of the \$2,000 out of pocket cap to ensure they are able to realize its maximum benefits. For example, Medicare beneficiaries need information about how to guarantee their prescription drugs count towards the out-of-pocket cap and how to choose the best Part D plan for their individual needs. Without this critical information, beneficiaries may end up paying more than expected.

The IRA directly lowers prescription drug costs for millions of Americans, and we must do everything we can provide older adults with the resources to understand these benefits. This is especially important with Open Enrollment beginning on October 15, a key opportunity for beneficiaries to ensure their health plans meet their needs. The Biden-Harris Administration has worked tirelessly to pass and implement the IRA, and we look forward to continuing those efforts as provisions of the law take effect, making prescription drugs costs more affordable.

Sincerely,



Robert P. Casey, Jr.
United States Senator



Raphael Warnock
United States Senator