

# The Inflation Reduction Act

## Frequently Asked Questions (FAQ) – For Medicare Members

### What is Inflation Reduction Act and how will it affect me?

The Inflation Reduction Act will provide meaningful financial relief for millions of people with Medicare by improving access to affordable treatments and lowering out-of-pockets costs.

### What does it mean for Medicare to negotiate drug prices?

Medicare will be able to negotiate directly with drug manufacturers for the price of certain high-cost brand-name Medicare Part B and Part D drugs that don't have competition.

### How will the new Medicare-negotiated price affect my out-of-pocket costs?

Your out-of-pocket costs will be lower if you are paying a percentage of the drug cost. For example, for part B drugs the usual member cost-share is 20% of the drug cost. If the total cost of the drug will be negotiated to be lower, then your 20% cost-share will also be lower.

<b>Which medications and treatments will have lower out-of-pocket costs?</b>		
<b>Insulin:</b>	Starting January 1, 2023, insulin out-of-pocket cost will be no more than \$35 for a month's supply of each <b>insulin product, covered through your pharmacy benefit</b> . Annual deductible will not apply to insulin coverage.	Beginning July 1, 2023, <b>insulins that are used together with a traditional insulin pump</b> (and that are covered through Medicare Part B), will also cost not more than \$35 for a month's supply, and a deductible will not apply.
<b>Vaccines:</b>	Starting January 1, 2023, adult vaccines, recommended by the Advisory Committee on Immunization Practices (ACIP) and covered through your pharmacy benefit, will be available with no deductible and no cost-sharing to you.	Examples of the vaccines that will be covered at no cost are Shingles and Tetanus-Diphtheria-Whooping Cough vaccines, amongst many others.
<b>Part B Drugs:</b>	Starting April 1, 2023, out-of-pocket costs for Medicare part B medications (such as some chemotherapy and physician-administered injectables) <b>will be less than the usual 20% of the drug cost if CMS</b> (Center for Medicare and Medicaid services) <b>determines that the drug cost has recently increased by too much</b> . Exact cost-share percentage for each drug will differ based on the amount of total drug cost increase.	

<b>In what other ways will my out-of-pocket costs be lower in the future?</b>	
<b>Premiums (2024):</b>	Beginning in 2024, part D plans premium increases will be limited to no more than 6% from the prior year
<b>Catastrophic Coverage copays (2024):</b>	Beginning in 2024, once you reach a catastrophic coverage phase, there won't be any more out-of-pocket costs for prescription medications covered through pharmacy benefit. In other words, the usual cost-share of 5% of the drug cost during catastrophic coverage will be eliminated
<b>Expanded Low-Income Subsidy Program (2024):</b>	Beginning in 2024, the low-income subsidy program (LIS or "Extra Help") under Medicare Part D will be fully available to certain people with Medicare with limited resources who earn less than 150% of the federal poverty level.
<b>An option to Spread out-of-pocket costs over the years (2025):</b>	Beginning in 2025, you will have an option to spread your out-of-pocket Part D drug costs over the year, rather than face high out-of-pocket costs in any given month.
<b>Hard Limit on out-of-pocket Drug Spending (2025):</b>	Beginning in 2025, your out-of-pocket part D drug costs will be limited to max of \$2,000 per year. For subsequent years, this amount will be increased to keep up with inflation.