

# Inflation Reduction Act (IRA)

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**Inflation Reduction Act of 2022 (IRA) (signed into law August 16, 2022)**

## *Medicare cost-sharing provisions*

- Caps out-of-pocket costs for insulin (\$35/mo) (2023)
- Improves vaccine coverage (2023)
- Eliminates 5% coinsurance in Part D “catastrophic coverage” phase (2024)
- Expands eligibility for Part D low-income subsidy (150% FPL) (2024)
- Caps out-of-pocket costs for prescription drugs (\$2,000/yr) (2025)
- Allows enrollees to spread out-of-pocket costs over the year (2025)
- Limits annual Part D premium increases (max 6%/yr) (2024)

## *Impact on ADAP*

- Less cost sharing assistance needed for insulin for Medicare clients in 2023
- Potential impact on rebate revenue when OOP cap is lowered to \$2K (not until 2025)

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## *Medicare drug pricing provisions*

- Penalizes drug companies if Medicare Part D and B drug prices rise faster than inflation (2023)
- Creates Medicare drug price negotiation program (2026)
  - 10 Part D drugs in 2026
  - 15 Part D drugs in 2027
  - 15 Part B or D drugs in 2028
  - 20 Part B or D drugs in 2029

## *Impact on ADAP*

- HIV and HCV drugs are not expected to be in top 20 drugs, so impact on prices for these drugs will not be immediate