

Biden touts prescription drug savings for older Americans

Medicare enrollees next year could save on dozens of medications under a federal law that penalizes pharmaceutical companies if they raise prices faster than the rate of inflation, the Biden administration announced Thursday.

Officials with Medicare, the federal health program for adults 65 and older, issued a list of 48 drugs including blood thinners, antibiotics and cancer medications administered at a doctor's office, clinic or hospital, saying that potential savings on these "Part B" medications would range from \$1 to \$2,786 per dose, beginning Jan. 1, depending on an individual's coverage.

Medicare enrollees typically pay 20% coinsurance on doctor-administered medications, but the Biden administration said the inflation penalties will reduce those out-of-pocket expenses by more than half for five drugs. Those drugs include the blood thinner argatroban, the chemotherapy drug bortezomib and antibiotics cefepime, meropenem and vancomycin. You can view a list of the drugs [here](#).

President Joe Biden touted his efforts to promote drug savings during an appearance Thursday at the National Institutes of Health in Bethesda, Maryland. The inflation penalties are part of Biden's signature 2022 climate and health law, called the Inflation Reduction Act, [which pressures drug companies to limit drug prices in several ways](#).

"It's about giving folks just a little more breathing room," said Biden, flanked by doctors and scientists. "For too long, Americans have paid more for prescription drugs than any advanced nation on Earth."

For the first time, the [federal law has empowered](#) the Centers for Medicare & Medicaid Services, or CMS, to negotiate lower Medicare drug prices. The Biden administration [has named the first 10](#) diabetes, heart disease and cancer drugs that Medicare will negotiate, but the price changes on those drugs won't take effect until 2026. Over the next two years, another 30 drugs will be selected for negotiated prices that take effect in 2027 and 2028.

Biden said price negotiations and other provisions of the federal law will save the federal health program \$160 billion over the next decade. He said consumers also will benefit from lower drug prices, including insulin, which is [capped at \\$35 per month](#) for Medicare enrollees.

"This law is going to lower costs and will save lives" and it will keep people from having to "forgo drugs because they can't afford them," Biden said.

Part D drug price hikes also limited under the Inflation Reduction Act

The federal law penalizes pharmaceutical companies that raise prices faster than inflation for more commonly prescribed Part D drugs typically filled at the pharmacy or delivered by mail. Beginning

in 2025, Medicare will bill companies whose Part D price hikes surpassed inflation in 2022, 2023 and 2024.

CMS also released guidance this week that includes concessions to drug companies that make drugs that are in shortage. Medicare would reduce inflation penalties for drug companies that are the only source of a generic Part D drug and some Part B and Part D medications.

More than a dozen cancer drugs [have been in shortage](#) this year, including cisplatin and carboplatin, which are used to treat testicular, gynecologic, breast, bladder, head and neck and non-small-cell lung cancers. The Food and Drug Administration sought to [ease the supply crunch](#) by temporarily allowing overseas drug manufacturers to import some chemotherapy drugs.

Meena Seshamani, deputy administrator at the CMS, said the revised guidance "strikes a balance" to discourage large price hikes while providing relief to drug companies facing shortages or supply chain disruptions.

"Our goal at CMS is to make sure drugs are more affordable and accessible, which includes helping to safeguard and ensure that the pharmaceutical supply chain can deliver critical medicines to providers and patients," Seshamani said.