



The Biden-Harris Administration is Lowering Health Care Costs for Millions of People Across California

THE BIDEN-HARRIS ADMINISTRATION has made expanding access to high-quality, affordable health care a top priority in the United States. That includes working to bring down health care costs and strengthen health care coverage so Americans can have peace of mind knowing that an emergency or a visit to the doctor's office won't send them into bankruptcy.

According to projections from the U.S. Department of Health and Human Services, because of President Biden's Inflation Reduction Act – his landmark law to lower prescription drug costs – about **2,181,000** Californians will save an average of **\$296 per year** on prescription drug costs when new policies, including the \$2,000 annual out-of-pocket cap on Medicare prescription drug costs go into effect in 2025.¹ This is in addition to the tens of thousands of Californians who are already saving money on insulin and vaccines because of President Biden's prescription drug law.

The President's new lower cost prescription drug law is helping to connect more Americans to quality care while giving them some extra financial breathing room. This includes:

- Capping a month's supply of each covered insulin at \$35 for people with Medicare;
- Making recommended vaccines available at no cost for people with Medicare Part D;
- Eliminating catastrophic cost-sharing, capping annual out-of-pocket drug costs for prescription drugs, and expanding low-income assistance for people with Medicare Part D starting in 2024;
- Allowing Medicare to negotiate better prescription drug prices;
- Requiring drug companies to pay a rebate to Medicare if they raise prices faster than inflation; and
- Continuing enhanced premium tax credits that helped 13 million people covered under the Affordable Care Act save an average of \$800 on their Marketplace health insurance in 2022.²

Lowering Medicare Drug Costs for Millions of Californians

In 2022, Medicare Part D enrollees in California spent an average of \$266 out-of-pocket on drugs.¹

- In 2024, the changes to Medicare's prescription drug benefit are expected to save about 1,915,000 Medicare Part D enrollees in California a total of nearly \$311 million.¹
- In 2025, the changes are expected to save about 2,181,000 Medicare Part D enrollees in California a total of over \$644 million.¹

Over 108,000 Medicare Part B and Part D enrollees in California would have saved an average of \$339 per person in 2020 on their insulin costs under the Inflation Reduction Act.³

- This would have resulted in total savings of \$36,622,758 across all people with Medicare Part B and D in California.³

Over 403,000 Medicare Part D enrollees in California would have saved an average of \$51 in 2021 on their out-of-pocket costs for vaccines under the Inflation Reduction Act.⁴

- This would have resulted in total savings of \$20,485,565 across all people with Medicare Part D in California.⁴

¹ <https://aspe.hhs.gov/sites/default/files/documents/93a68f3c5ca949dcf331aa0ec24dd046/aspe-part-d-oop.pdf>

² <https://www.cms.gov/newsroom/press-releases/biden-harris-administration-launches-window-shopping-affordable-and-accessible-health-care>

³ <https://aspe.hhs.gov/sites/default/files/documents/bd5568fa0e8a59c2225b2e0b93d5ae5b/aspe-insulin-affordability-datapoint.pdf>

⁴ <https://aspe.hhs.gov/sites/default/files/documents/329fd579ada6515d3be404f06821c361/aspe-ira-vaccine-part-d.pdf>

Nearly 6.7 million residents of California were enrolled in Medicare as of March 2023.⁵

- As of March 2023, over 5.5 million residents of California were enrolled in Medicare Part D.⁵

Increasing Access to Affordable Health Care for Californians

The Biden-Harris Administration has a simple vision: “health care is a right for all and not a privilege for the lucky few.” That’s why the Biden-Harris Administration has made expanding access to high-quality, affordable health care a top priority. Three hundred million people now have access to quality, affordable health care, including over 16 million who enrolled through the Marketplace, made possible because of the Affordable Care Act.

More people in California have health insurance coverage since the implementation of the Affordable Care Act.

- Since the implementation of the Affordable Care Act, the total uninsured rate in California decreased 10.2 percentage points (17.2% in 2013 vs. 7% in 2021).⁶

In 2023, 1,739,000 residents of California signed up for coverage related to the Marketplace under the Affordable Care Act.⁶

- In 2022, the average subsidy per month for consumers who received a subsidy in California was \$476 and the average monthly premium after subsidies was \$148.⁷

Strengthening Medicaid

More people in America rely on Medicaid for comprehensive, quality health coverage than on any other program. To date, 40 states and the District of Columbia have expanded Medicaid under the Affordable Care Act, meaning more people in those states will now have access to better health coverage and a pathway to a more prosperous and healthy future. As of February 2023, approximately 93 million people were enrolled in Medicaid or the Children’s Health Insurance Program (CHIP).⁸ In the last two years, the Biden-Harris Administration has expanded access to uninterrupted postpartum coverage for a full year after birth, has urged states to expand service delivery in schools, including for behavioral health care, and under section 9817 of the American Rescue Plan states are spending over \$25 billion in federal and state Medicaid funds on activities to enhance, expand, or strengthen home and community-based services.⁹

- As of February 2023, over 14 million residents of California were enrolled in Medicaid or CHIP.¹⁰
- California has expanded Medicaid effective January 1, 2014 and as of September 2022, nearly 4,911,000 newly-eligible adults were enrolled in the program.⁶

⁵ <https://data.cms.gov/summary-statistics-on-beneficiary-enrollment/medicare-and-medicaid-reports/medicare-monthly-enrollment//data>

⁶ <https://www.aspe.hhs.gov/reports/current-health-coverage-under-affordable-care-act>

⁷ <https://www.cms.gov/files/document/early-2022-and-full-year-2021-effectuated-enrollment-report.pdf>

⁸ <https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/downloads/february-2023-medicaid-chip-enrollment-trend-snapshot.pdf>

⁹ <https://www.medicaid.gov/medicaid/home-community-based-services/guidance/strengthening-and-investing-home-and-community-based-services-for-medicaid-beneficiaries-american-rescue-plan-act-of-2021-section-9817/index.html>

¹⁰ <https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/medicaid-chip-enrollment-data/monthly-medicaid-chip-application-eligibility-determination-and-enrollment-reports-data/index.html>