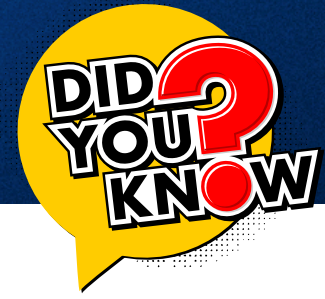


# Inflation Reduction Act Fact Sheet



## Overview:

The Inflation Reduction Act (IRA) introduces key changes to Medicare aimed at reducing healthcare costs for beneficiaries, particularly impacting Medicare Part D plans.

## Key Changes Effective 2025:

**Elimination of the Part D Coverage Gap:** Ensures continuous prescription drug coverage throughout the year. Beneficiaries will no longer face a gap where they pay higher out-of-pocket costs.

**Annual Out-of-Pocket Cap:** Caps out-of-pocket prescription drug costs at \$2,000 per year. Significantly reduces the maximum amount beneficiaries must spend annually on medications.

**Insulin Cost Cap:** Limits the cost of insulin to \$35 per month for Medicare beneficiaries. Lowers the financial burden for those managing diabetes.

**Expanded Extra Help Subsidies:** Increases eligibility for the Extra Help program, aiding low-income beneficiaries with Part D premiums, deductibles, and cost-sharing. More low-income seniors will qualify for financial assistance.

## Immediate Impacts in 2024:

**Increased Part D Premiums:** Removal of the 5% coinsurance for catastrophic coverage and added responsibilities for plan providers will result in higher premiums. Beneficiaries may see a rise in Part D premiums before the long-term benefits take effect.

## What This Means for You:

**Short-Term Costs:** Expect potential increases in Part D premiums in 2024. Understanding these changes helps manage healthcare budgets effectively.

**Long-Term Savings:** Starting in 2025, the cap on out-of-pocket expenses and the elimination of the coverage gap will provide significant savings. New provisions aim to reduce overall prescription drug costs and improve financial stability.

## Support and Assistance:

The expanded Extra Help program will offer more support for those who need it most. Qualifying for available subsidies can help reduce medication expenses.

