



## 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 (IRA) – 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.<sup>1</sup> This is in addition to the hundreds 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:

- Making recommended vaccines available at no cost – in 2023, more than 10.3 million Medicare Part D enrollees received a recommended vaccine free of charge, which saved those enrollees more than \$400 million in out-of-pocket costs;<sup>2</sup>
- Eliminating cost-sharing in the catastrophic phase of the Part D benefit, capping annual out-of-pocket drug costs for prescription drugs, capping insulin costs at \$35/month per covered insulin product, and expanding the Low-Income Subsidy (LIS) program for people with Medicare Part D;
- Allowing Medicare to negotiate lower prescription drug prices directly;
- Requiring drug companies to pay a rebate to Medicare if they raise certain drug prices faster than the rate of inflation; and
- Continuing enhanced premium tax credits that helped millions of people covered under the Affordable Care Act (ACA) save on their Marketplace health insurance.

### Lowering Prescription Drug Costs for Millions of Californians

**Over 6.8 million residents of California were enrolled in Medicare as of February 2024.**<sup>3</sup>

- As of February 2024, nearly 5,715,000 residents of California were enrolled in Medicare Part D.<sup>3</sup>
- In 2025, the changes are expected to save about 2,181,000 Medicare Part D enrollees in California an average of \$296, for a total of over \$644 million.<sup>1</sup>

**Nearly 830,000 Medicare Part D enrollees in California take drugs selected for negotiation including:**<sup>4</sup>

- Nearly 390,000 Medicare Part D enrollees who take Eliquis or Xarelto, drugs used to prevent and treat blood clots.
- Over 330,000 Medicare Part D enrollees who take Jardiance, Januvia, or Farxiga for Type 2 Diabetes.
- Over 46,000 Medicare Part D enrollees who take Entresto to treat heart failure.

**In 2023, nearly 944,000 Medicare Part D enrollees in California received a recommended Part D covered vaccine with no cost sharing, which represents 17 percent of the state's total Part D population.**<sup>5</sup>

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

<sup>2</sup> <https://aspe.hhs.gov/reports/ira-elimination-vaccine-cost-sharing-2023>

<sup>3</sup> <https://data.cms.gov/summary-statistics-on-beneficiary-enrollment/medicare-and-medicaid-reports/medicare-monthly-enrollment/data>

<sup>4</sup> <https://aspe.hhs.gov/sites/default/files/documents/9a34d00483a47aee03703bfc565ffec9/ASPE-IRA-Drug-Negotiation-Fact-Sheet-9-13-2023.pdf>

<sup>5</sup> <https://aspe.hhs.gov/reports/ira-elimination-vaccine-cost-sharing-2023>

**The IRA expanded eligibility for Medicare’s LIS Program. Nearly 30,000 Partial LIS enrollees in California would have received full LIS benefits if the IRA’s LIS eligibility expansion had been in effect in 2020.<sup>6</sup>**

## **Increasing Access to Affordable Health Care for Nearly Two Million 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. More than 300 million people now have access to quality, affordable health care, including over 21 million who enrolled through the Marketplace, made possible because of the ACA. Over 45 million people are currently enrolled in Marketplace or Medicaid expansion coverage under provisions of the ACA, the highest total on record.<sup>7</sup> This has contributed to the current historic low in the uninsured rate, which in 2023 was less than 8 percent.<sup>8</sup> Between 2020 and 2023, plan selections in HealthCare.gov Marketplaces, which account for more than half of total Marketplace enrollment, grew by 103 percent among Latino individuals, 95 percent among Black individuals, 59 percent among American Indian and Alaska Native individuals, 28 percent among Multiracial individuals, 25 percent among White individuals, and 14 percent among Asian American, Native Hawaiian, and Pacific Islander individuals.

### **More people in California have health insurance coverage since the implementation of the ACA.**

- Since the implementation of the ACA, the total uninsured rate in California decreased 10.7 percentage points (17.2% in 2013 vs. 6.5% in 2022).<sup>7</sup>

### **In 2024, 1,785,000 residents of California signed up for coverage related to the Marketplace under the ACA.<sup>7</sup>**

- In 2023, the average subsidy per month for consumers who received a subsidy in California was \$485 and the average monthly premium after subsidies was \$173.<sup>9</sup>

## **Strengthening Medicaid**

More people in America enrolled in Medicaid for comprehensive, quality health coverage than in any other program. To date, 40 states and the District of Columbia have expanded Medicaid under the ACA, meaning more people in those states will now have access to better health coverage and a pathway to a more prosperous and healthy future. If the remaining ten states expanded Medicaid, an additional nearly 3.5 million would be covered. As of February 2024, approximately 83 million people were enrolled in Medicaid or the Children’s Health Insurance Program (CHIP).<sup>10</sup> In the last three years, the Biden-Harris Administration has expanded access to uninterrupted postpartum coverage for a full year after birth, has expanded 12-month continuous eligibility for all children in Medicaid and CHIP, and has urged states to expand service delivery in schools, including for behavioral health care. In addition, under section 9817 of the American Rescue Plan Act, states expect to spend nearly \$37 billion in federal and state Medicaid funds on activities to enhance, expand, or strengthen home and community-based services.<sup>11</sup>

- As of February 2024, nearly 13.7 million residents of California were enrolled in Medicaid or CHIP.<sup>12</sup>
- California expanded Medicaid effective January 1, 2014 and as of September 2023, nearly 5,152,000 low-income adults were eligible for Medicaid because California took advantage of the ACA expansion.<sup>13</sup>

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<sup>6</sup> <https://aspe.hhs.gov/reports/expanded-financial-protections-under-low-income-subsidy-program>

<sup>7</sup> <https://www.aspe.hhs.gov/reports/aca-related-enrollment-february-2024>

<sup>8</sup> <https://www.aspe.hhs.gov/reports/national-uninsured-rate-remains-77-percent-q4-2023>

<sup>9</sup> <https://www.cms.gov/files/document/early-2023-and-full-year-2022-effectuated-enrollment-report.pdf>

<sup>10</sup> <https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/downloads/february-2024-medicaid-chip-enrollment-trend-snapshot.pdf>

<sup>11</sup> <https://www.medicaid.gov/medicaid/home-community-based-services/downloads/arp-sec9817-overview-infographic.pdf>

<sup>12</sup> <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>

<sup>13</sup> <https://www.aspe.hhs.gov/reports/aca-related-enrollment-february-2024>