Infographic

Timeline: IRA’s Drug Pricing and Medicare Part D Changes

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# The Inflation Reduction Act

**Timeline of Drug Pricing Changes and Medicare Part D Reforms**

## 2022

**October 1**
- Medicare Part B temporarily increases add-on fee from 6% to 8% for qualifying biosimilars.
- Start of first 12-month period for which Part D inflation penalties for certain drugs apply.

## 2023

**January 1**
- Medicare prescription drug plan enrollees pay no more than $35 a month for insulin covered by Medicare and dispensed from a pharmacy. Part D deductibles do not apply to the covered insulin.
- Drug manufacturers required to pay rebates to Medicare if certain Part B drugs increase in price faster than inflation.

**April 1**
- Traditional Medicare enrollees pay lower coinsurance for some Part B drugs if the price increased faster than the rate of inflation.

**July 1**
- Traditional Medicare enrollees who take insulin through a traditional pump pay no more than $35 a month for insulin and do not have deductibles for insulin.

**September 1**
- The Centers for Medicare and Medicaid Services (CMS) selects 10 Medicare Part D drugs for the Drug Price Negotiation Program. Maximum Fair Price (MFP) becomes effective for these drugs in 2026.

## 2024

**January 1**
- No coinsurance or copayments for Medicare prescription drug coverage enrollees who hit the catastrophic phase.
- Premium increases in Part D plans limited to 6% over previous year through 2029.
- Low-Income Subsidy program under Part D begins, expanding financial help to low-income beneficiaries.

**July 1**
- Cap on Part B payment for new biosimilars when average sales price data is unavailable begins.

**September 1**
- CMS will publish MFP for first 10 Part D drugs selected for negotiation.

## 2025

**January 1**
- Part D out-of-pocket maximum of $2,000 begins. Part D out-of-pocket costs can be spread monthly over the year.
- Manufacturer Discount Program replaces the Medicare coverage gap discount program. Manufacturer discounts for applicable drugs required in both initial coverage and catastrophic phases.
- Government reinsurance in catastrophic phase of Part D decreases from 80% to 20% for brand-name drugs, biologics, and biosimilars; decreases from 80% to 40% for generics.

**February 1**
- CMS announces 15 more Part D drugs for negotiation program.

**November 30**
- CMS publishes MFPs for the 15 Medicare Part D drugs selected in February. MFP goes into effect in 2027.

## 2026

**January 1**
- MFP for first 10 drugs selected for negotiation goes into effect.
- Government reinsurance in catastrophic phase of Part D set at 40% for drugs selected for negotiation.

**February 1**
- CMS announces 15 more Part B or Part D drugs for negotiation.

**November 30**
- CMS publishes MFP for the 15 Part B or Part D drugs selected for negotiation in February. MFP for these drugs goes into effect in 2029.

## 2027

**January 1**
- MFP for first 10 drugs selected for negotiation goes into effect.

**February 1**
- CMS announces 20 more Part B or Part D drugs for negotiation.

**November 30**
- CMS publishes MFP for the 15 Part B or Part D drugs selected for negotiation in February. MFP for these drugs goes into effect in 2029.

## 2028

**January 1**
- MFP for 15 Part B or Part D drugs selected in 2026 goes into effect.

**February 1**
- CMS announces 20 more Part B or Part D drugs for negotiation.

**November 30**
- CMS publishes MFP for the 20 Part B or Part D drugs selected for negotiation in February. MFP for these drugs goes into effect in 2030.

## 2029

**January 1**
- MFP for 20 Part B or Part D drugs selected in 2027 goes into effect.

**February 1**
- CMS announces 20 more Part B or Part D drugs for negotiation.

**November 30**
- CMS publishes MFP for the 20 Part B or Part D drugs selected for negotiation in February. MFP for these drugs goes into effect in 2031.