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.