



Press Release

The Inflation Reduction Act's Health Care Provisions

PAULINA ENCK | AUGUST 10, 2022

The Senate-passed Inflation Reduction Act (IRA) — the latest take on Democrats' previous spending package known as Build Back Better — includes several health care provisions that would make substantial changes to the U.S. health care system. In a new primer, Health Care Policy Analyst Jackson Hammond explains the legislation's key provisions.

Key points:

The IRA included health care provisions that will:

- Extend American Rescue Plan Act subsidies for the Affordable Care Act exchanges for another three years.
- Fundamentally shift how Medicare pays for drugs with price setting for Parts B and D, inflation penalties for Parts B and D, and out-of-pocket cost caps on insulin.
- Alter Medicare Part D's structure to cap out-of-pocket costs for beneficiaries and expand eligibility for Low-Income Subsidies in Medicare Part D.
- Repeal the Trump Administration's 2019 Prescription Drug Rebate Rule.

[Read the analysis](#)