

Press Release



The Inflation Reduction Act's Medicare Budget Implications: Results for States and Regions

PAULINA ENCK | JANUARY 10, 2024

In new research, AAF President Douglas Holtz-Eakin and Vice President for Economic Policy Gordon Gray summarize the geographic distribution of the Inflation Reduction Act's (IRA) Medicare savings diverted to the bill's clean energy provisions.

Key points:

- The IRA contains two Medicare provisions – an “inflation tax” and drug price “negotiation” – that are estimated to save \$266 billion from 2023 to 2031.
- Previous American Action Forum research established that some Medicare beneficiaries may see lower drug prices based on certain provisions included in the law, but the Medicare program does not benefit from an additional \$266 billion in potential savings spent to subsidize clean energy.
- This research breaks out these impacts by states and regions in the United States.

[*Read the analysis*](#)

[*See related map*](#)