

Protect Our Care: Fact Sheet: How the Build Back Better Act delivers lower prescription drug prices

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Build Back Better is a historic plan that will bring down prescription drug prices so people can afford the medicines they need. The Build Back Better bill gives Medicare the power to negotiate lower drug prices, ensures no senior pays more than \$2,000 a year for their prescriptions, and protects every American from egregious price increases for the drugs they need to survive.

For 20 years, big drug companies have been able to dictate the price that Americans pay for prescription drugs and Americans pay three times more than people in other countries. That status-quo means patients can't afford what they need to stay healthy, but that status-quo ends with this plan. Reining in Big Pharma's greed will reduce racial inequities in health care, improve the health and well-being of seniors and people with disabilities, strengthen families, and save lives.

Here Are The Three Main Ways Build Back Better Will Drive Down Drug Prices For Patients:

1) Giving Medicare The Power To Negotiate Lower Drug Prices. For nearly 20 years, Medicare has been banned from negotiating the price of prescription drugs, and Big Pharma has been able to dictate prices while Americans pay three times more for their medications than people in other countries. Under Build Back Better, Medicare will be empowered to negotiate prices for select drugs purchased at the pharmacy counter and administered at a doctor's office. Beginning in 2025, 10 drugs, in addition to insulin, will be negotiated with that number increasing to 20 drugs in 2028 and into the future. Drug companies who refuse to come to the

negotiating table will be subject to an excise tax.

2) Capping Out-Of-Pocket Spending For Seniors. Seniors with serious conditions like cancer, multiple sclerosis, and rheumatoid arthritis could save thousands of dollars on prescriptions under the Build Back Better Act. Medicare Part D out-of-pocket costs for prescription drugs will be capped at [\\$2,000](#) per year. The redesign of Medicare Part D will also allow out-of-pocket spending to be smoothed over the course of the year, so patients are not forced to pay the entirety of their out-of-pocket cost at the beginning of the year. Insulin co-pays for Medicare beneficiaries will also be capped at [\\$35](#) each month.

3) Putting An End To Runaway Price Increases. Build Back Better stops Big Pharma from raising price increases faster than the rate of [inflation](#). For example, Humira, a medication commonly used to treat rheumatoid arthritis, is one of the nation's highest revenue generating drugs, raking in \$21 billion in sales in 2019. AbbVie, Humira's manufacturer, has hiked the price of Humira [27 times](#), including in January 2021 when it raised its cost by [7.4 percent](#). This cap would apply to all Americans, and is essential to stop arbitrary price increases on essential medications. Over the [past 20 years](#), price increases for brand-name drugs in Medicare Part D have risen at more than twice the rate of inflation.