

Lower Prices, Higher Risks: How the Inflation Reduction Act (IRA) could backfire on patients

A recent paper co-authored by GHLF's Chief Science Policy Officer, Dr. Robert Popovian, Pharm.D., MS, warns that a well-intentioned drug pricing reform under the IRA could lead to higher out-of-pocket costs and serious health risks for Medicare patients—despite its goal to lower drug prices.

The Inflation Reduction Act (IRA)



Goal: Lower the cost of prescription drugs for people using Medicare.



Key feature: Setting the “maximum fair price” for some medications

Pharmacy Benefit Managers (PBMs)



PBMs act as the middlemen between the government pricing and you, the patient. These companies decide what drugs are covered by insurance, and at what cost.



PBMs make money from rebates and fees based on the manufacturer's drug pricing. When those prices are capped by the Inflation Reduction Act, PBMs make less profit overall



How the IRA could backfire for patients

PBMs don't just accept the lost profits. Instead, they might reclassify the drugs into higher payment categories that carry higher out-of-pocket costs for patients

The paper investigated two blood-thinners that are currently on the list of drugs that will be impacted by the IRA: Eliquis and Xarelto

What the Data Shows

Eliquis

\$235 - \$482 Million

Estimated out-of-pocket cost increases after the inflation reduction act

Xarelto

\$105 - \$206 Million

Estimated out-of-pocket cost increases after the inflation reduction act



Because of these drug price increases, an estimated 320,000 patients could stop taking their medications



For blood-thinners such as these, stopping medication could lead to serious negative health impacts

“There's direct evidence that if you stop taking your anticoagulant—and you're a patient at risk who needs it long-term—there's a significantly higher incidence of strokes, heart attacks, and mortality. That has been well documented” -Dr. Popovian.



Talk to your pharmacist about different options before you stop your treatment. Otherwise, you could be at risk for stroke, heart attack, or even death.