



FOR IMMEDIATE RELEASE

Contact: Taylor Harvey (202) 224-4515

September 17, 2024

## **Wyden Statement at Finance Hearing on the Inflation Reduction Act and Lower Health Care Costs** *As Prepared for Delivery*

Today, the Finance Committee will look at two health care choices for America.

One choice is to sign up for concepts of a health plan prescribed by Donald Trump. Over the weekend JD Vance gave Americans a preview of these concepts. He said that all Americans should not be in the same health insurance “risk pool.” The Vance idea is bureaucratic lingo for an idea that should alarm millions of Americans.

Here’s what it means: if you have a pre-existing condition or if you are at high risk of developing a chronic illness, insurance companies will be allowed to isolate you from younger and healthier Americans. That means they’ll only sell you insurance that’s prohibitively expensive or limited in benefits.

In my view, the concepts proposed by JD Vance are a prescription for discriminating against those with pre-existing conditions.

The other choice in America is to sign up for concrete health care results delivered by Democrats through the Inflation Reduction Act, which was passed into black-letter law two years ago. I’m going to take a minute and talk about the lower costs Americans are already getting thanks to what Democrats did in the IRA.

Right now, price-gouging penalties on Big Pharma are limiting the endless price increases on prescription drugs that have put the squeeze on Americans.

And here’s how it’s working: seniors taking an expensive cancer drug through Medicare Part B used to see their costs increase every year much faster than their Social Security benefits. With the price-gouging penalty in place, many cancer drugs only had price increases of two percent, lower than the rate of inflation and the Social Security cost-of-living adjustment. This slowdown has saved seniors and taxpayers \$3 billion in the first year and a half alone.

Right now, seniors are saving thousands per year through an out-of-pocket cap on prescriptions picked up at the pharmacy counter through Medicare Part D. As the Committee will hear from one of our witnesses this morning, older Americans with very expensive prescriptions now pay for them in the first month or two of the year, but from the third month onward, they pay nothing out of their own pocket.

In just three months that cap will go down to \$2,000, which will mean even more savings for seniors and the ability to spread the costs over the whole year.

Right now, working families who buy private health insurance are saving an average of \$800 a year in lower premiums through enhanced tax credits from the Inflation Reduction Act.

Right now, seniors also can save hundreds of dollars a year on free vaccines to complement the \$35 insulin cost cap.

Taken as a whole, this new law is making a concrete difference in the lives of millions of working families and seniors in Medicare. These cost saving measures need to be protected and strengthened in the years to come, not watered down or erased by putting Big Pharma or insurance companies back in charge.

Looking ahead, America has started to witness the biggest change in how Medicare pays for pharmaceuticals in decades now that Democrats have taken away Big Pharma's Holy Grail: the prohibition on Medicare negotiation. Using the bargaining power of 50 million seniors, Medicare just concluded the first round of negotiations to lower the price of some of the most expensive medications.

The results of this negotiation are clear: when these lower prices go into effect in January 2026, seniors are going to save \$1.5 billion and taxpayers are going to save \$6 billion in a single year. In the coming months, Medicare will select the next 15 highest cost drugs to negotiate, which will continue to deliver cost savings to the seniors that need it most.

There's more. The Committee must work to extend these lower cost achievements for seniors with Medicare to the private sector, so young Americans and working families benefit from the same savings as their grandparents.

There's also work to be done to reduce the power of middlemen, which are taking an increasingly large chunk of the \$4 trillion the United States spends on health care each year.

And Congress must act to protect families from a giant premium spike that's coming next year when the middle-class tax credits for health care expire. I'm all in to extend these tax credits so millions of working families don't see a premium increase.

Thank you to our witnesses for joining the committee this morning. I look forward to our discussion of all these issues today.

###