

Lowering Drug Costs for American Families Act (H.R. 4895)

In 2022, Democrats took historic action to lower the cost of prescription drugs for Americans when Congress passed, and President Biden signed the *Inflation Reduction Act* into law. The *Inflation Reduction Act* slashes drug costs for American seniors by – for the first time in history – granting Medicare the power to directly negotiate the price of prescription drugs, stop drug companies from increasing their prices faster than inflation, and capping out-of-pocket costs at \$2,000 annually under Medicare Part D.

Already, Medicare beneficiaries across the country are seeing the benefits of the *Inflation Reduction Act* with the \$35 monthly cap on insulin and the penalty against drug companies raising prices higher than the rate of inflation. Overall, [seniors are expected to see \\$400 per year in savings in 2024](#), and \$759 per year in 2025, when the law's out of pocket protection for Medicare Part D goes into effect. Savings will only continue to increase as the law's additional prescription drug pricing provisions go into effect beginning in 2026.

However, the fight is not over. Big Pharma continues to do everything it can to protect its profits, and keep Medicare from negotiating prices, and Republicans have repeatedly threatened to repeal these reforms. American families still pay some of the highest prices in the world for the vital medicines they need to stay healthy. **On average, Americans pay more than three times as much as people in other developed countries for brand name prescription drugs—sometimes as much as 600 percent.** These exorbitant costs take a toll on the finances of working families, with [nearly 30 percent unable to obtain or take their medicine as prescribed by their health care provider.](#)

That's why Democrats are introducing legislation to build upon the important achievements of the *Inflation Reduction Act* and further level the playing field between highly profitable drug corporations and hardworking families.

H.R. 4895, the *Lowering Drug Costs for American Families Act*, reduces the burden on patients and taxpayers and lowers drug costs for individuals who are covered by private health plans. The legislation:

- **Extends the historic drug price negotiation program to all *individuals with private coverage*.** This includes over 164 million workers and their families who get [health coverage through their jobs](#) and more than [16 million](#) individuals with Marketplace coverage.
- **Stops drug companies from raising prices faster than inflation** by ensuring that the inflation rebates enacted under the *Inflation Reduction Act* also apply to individuals covered by private health plans. Extending the inflation rebates to privately-covered American workers can save as much as [\\$40 billion over the next decade alone](#).
- **Strengthens the drug price negotiation program to deliver more savings to the American people** by increasing the annual number of prescription drugs selected for negotiation from 20 to 50.

Hardworking American families shouldn't have to choose between paying for their medicine or for their food and rent, while drug companies continue to enjoy record profits. It is time for Congress to build upon the *Inflation Reduction Act's* historic drug cost-saving measures and deliver further relief to the American people.