

The Inflation Reduction Act:

Potential Care Delivery Impacts You Need to Know



TAKE HEALTH TO
HEART

What is the IRA?

The Inflation Reduction Act (IRA) was signed into law in 2022 and includes several prescription drug provisions designed to curb inflation by reducing Medicare spending on medications and expanding access through price negotiation and patient protections.

Caps to Lower Out-of-Pocket Cost

\$2,100 Maximum Out of Pocket in 2026

Cap on out-of-pocket cost for prescription drugs for individuals with a Medicare Part D plan

\$35 for Insulin

Cap on out-of-pocket cost per month, with no deductible¹

\$0 Vaccines

Recommended vaccines have no co-pay or extra cost²

Price Negotiation to Cap Costs for Certain Medicines

Negotiated Maximum Fair Prices (MFP)

CMS can currently negotiate MFP for certain Medicare Part D medicines; Medicare Part B medicines will be eligible in 2028.

MFP for 10 Medicare Part D medicines will go into effect January 1, 2026, including 5 medicines used to treat heart disease. MFP for 15 additional Part D medicines will go into effect January 1, 2027.³

Pharmaceutical companies may be penalized if they increase prices faster than inflation.²

What Medicines can be Negotiated?

A medicine qualifies for price...

- Covered under Medicare Part D (2026) or Part B (2028),
- A single source brand-name or biological product without a therapeutically equivalent generic or biosimilar⁷, and
- A certain number of years past its FDA approval or licensure date depending on whether it is a small-molecule medicine or biologic.

How Could the IRA Impact Cardiovascular Care & Innovation?

While the IRA brings important protections for patients, it may also introduce new challenges.

Delays in Care

- Formulary changes may impact the availability of negotiated medicines⁴
- Increased use of prior authorization and other utilization management requirements may occur⁵

Delays in Innovation

- Delayed development of generic medications may occur
- Decreased incentives to develop new cardiovascular medicines may occur⁶

1. Center for Medicare & Medicaid Services. Frequently Asked Questions about Medicare Insulin Cost-Sharing Changes in the Prescription Drug Law. Updated July 2023. <https://www.cms.gov/files/document/frequently-asked-questions-about-medicare-insulin-cost-sharing-changes-prescription-drug-law-july.pdf>

2. KFF. Explaining the Prescription Drug Provisions in the Inflation Reduction Act. Published January 24, 2023. <https://www.kff.org/medicare/explaining-the-prescription-drug-provisions-in-the-inflation-reduction-act/>

3. CMS.gov. CMS Announces Selection of Drugs for Third Cycle of Medicare Drug Price Negotiation Program, Including First-Ever Part B Drugs. Published January 27, 2026. <https://www.cms.gov/newsroom/press-releases/cms-announces-selection-drugs-third-cycle-medicare-drug-price-negotiation-program-including-first>

4. KFF. How Medicare's New Drug Price Negotiation Program Could Expand Access to Selected Drugs. Published September 26, 2023. <https://www.kff.org/medicare/how-medicare-new-drug-price-negotiation-program-could-expand-access-to-selected-drugs/>

5. Salzbrenner SG, Lydias M, Holding B, et al. Influence of Prior Authorization Requirements on Provider Clinical Decision-Making. Published August 4, 2023. <https://pmc.ncbi.nlm.nih.gov/articles/PMC10403277/>

6. Health Affairs. How The IRA Could Delay Pharmaceutical Launches, Reduce Indications, and Chill Evidence Generation. Published November 3, 2023. <https://www.healthaffairs.org/content/forefront/ira-could-delay-pharmaceutical-launches-reduce-indications-and-chill-evidence>

7. KFF. FAQs about the Inflation Reduction Act's Medicare Drug Price Negotiation Program. Published January 23, 2025. <https://www.kff.org/medicare/faqs-about-the-inflation-reduction-acts-medicare-drug-price-negotiation-program/>

