



## HEALTH & SOCIAL PROGRAMS

### Prescription Drugs

**Drug Pricing:** The measure would direct the the Health and Human Services Department to establish a “Drug Price Negotiation Program” to negotiate a maximum price of high-cost prescription drugs for Medicare Parts D and B beginning 2025.

HHS would identify 100 drugs without competition that have been on the market for several years — generally outside their initial exclusivity period — and that have the highest spending under Medicare. HHS would select as many as 10 drugs from that list for negotiation in 2025 and as many as 20 drugs by 2028, plus insulin.

The measure would set a price ceiling for drugs based on how long they have been on the market, including 75% of the average manufacturer price for those 9 to 12 years old and 40% for those more than 16 years old.

Drugmakers that don’t successfully negotiate would face an excise tax of as much as 95% depending on how long it’s not compliant. Those that charge more than the negotiated maximum price would pay a civil monetary penalty of as much as 10 times the difference in prices.

The measure would provide \$300 million annually through fiscal 2031 to implement the negotiation program.

**Inflation Rebates:** Drugmakers would have to repay the government the difference in profits above the cost of inflation on Part B and D drugs if they raise the price of a drug above inflation, beginning July 1, 2023. Drugmakers that don’t provide the rebates would face a penalty up to 125% of the rebate amount.

**Insulin Coverage:** Beginning in 2023, the measure would require private health plans to cover at least one of each type of insulin. They couldn’t apply a deductible and copays would be \$35 a

month or 25% of the plan's negotiated price, whichever is less. Cost-sharing would also be limited to \$35 under Medicare.

**Other Drug Provisions:** The measure would also:

- Cap the out-of-pocket cost of prescription drugs under Medicare Part D for beneficiaries at \$2,000 a year starting in 2024, lower beneficiary coinsurance rates in the initial coverage phase, and reduce government reinsurance rates in the catastrophic phase.
- Block the drug rebate rule published under former President Donald Trump in November 2020.
- Require coverage of vaccines with no cost-sharing under Medicare Part D.
- Require pharmacy benefit managers to report on the details of their prescription drug benefits to group health plans twice a year. Not providing information in time could result in fines of \$10,000 per day and false information could result in a \$100,000 penalty.

## Health Coverage

**Hearing Benefits:** The measure would expand Medicare coverage to provide hearing benefits beginning in 2023. The benefit would include hearing assessment services and hearing aids, which would be covered once every five years and would have to be provided through a written order from an audiologist or other health professional.

**ACA Premium Tax Credits:** The measure would extend through 2025 the temporary expansion of Affordable Care Act (ACA) health insurance premium tax credits under Public Law 117-2. The larger credits for those with household income between 100% and 400% of the federal poverty level (FPL) and expanded eligibility to those above 400% of the FPL are scheduled to expire after 2022.

It would also continue allowing those who receive unemployment compensation to be eligible through 2022 for premium tax credits for those at 150% or less of the FPL.

**Medicaid Expansion:** The measure would close the Medicaid coverage gap for lower-income individuals in states that didn't expand the program under the Affordable Care Act by temporarily expanding the tax credits to those below 100% of the FPL, through 2025.

Those states would have their uncompensated care and disproportionate share hospital payments reduced, which the summary said would reflect lower rates of uncompensated care.

The measure also would increase the federal medical assistance percentage (FMAP) for the expansion population to 93% from 2023 through 2025, from 90%.

**Cost-Sharing Subsidies:** The measure would increase the ACA's cost-sharing reductions for beneficiaries earning as much as 138% of the poverty line so that the insurer's share is 99% of total costs for 2023 through 2025. Insurers are currently responsible for 94% of costs for those between 100% and 150% of the FPL. The measure would provide such sums as necessary for HHS to reimburse insurers for 12% of total allowed costs in those years.

The measure would provide additional benefits to those populations in 2024 and 2025, including nonemergency medical transportation and family planning services currently available through Medicaid. HHS would reimburse insurers for those costs.

It also would extend cost-sharing reductions for those receiving unemployment compensation for one year, through 2022.

**Reinsurance Program:** The measure would provide \$10 billion annually for fiscal 2023 through 2025 for an "Improve Health Insurance Affordability Fund" for states to make reinsurance payments to health insurers for high-cost enrollees or to reduce out-of-pocket costs.

The Centers for Medicare and Medicaid Services would provide the reinsurance payments to insurers in states that didn't expand their Medicaid programs under the ACA to cover most low-income adults for 2023 through 2025.

**Medicaid Coverage:** The measure would increase the Medicaid FMAP by 6 percentage points for states that expand home and community-based services and would provide an 80% FMAP for administrative costs. If a state adopts an HCBS model promoting self-directed care it would be eligible for a further 2 percentage point increase over six quarters.

It also would:

- Permanently increase federal Medicaid funding for U.S. territories by providing an 83% FMAP for each territory.
- Extend for another two years the 100% FMAP provided to urban Indian health organizations and Native Hawaiian health centers under Public Law 117-2.
- Make inmates eligible for Medicaid coverage 30 days before their release.

**CHIP:** The measure would permanently authorize the Children's Health Insurance Program (CHIP). It would also require states to extend continuous CHIP and Medicaid coverage to all pregnant and postpartum individuals for one year after birth and to all children for one year after enrollment. It would also permanently extend the option to simplify enrollment in Medicaid and CHIP for children.

**Health Funding:** The measure would provide:

- \$7 billion for public health infrastructure and \$2 billion for community health center grants.
- \$3.37 billion for payments to teaching health centers that run graduate medical education programs.
- \$2.86 billion for the World Trade Center Health Program through a supplemental fund.
- \$2.5 billion for community violence and trauma prevention grants or contracts.
- \$2 billion for the National Health Service Corps.
- \$1.4 billion for CDC laboratory renovation, improvement, expansion, and modernization.
- \$1.3 billion for public health preparedness research and development for public health emergencies.