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FACT SHEET

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—Inflation Reduction Act Research Series—

Projected Impacts for Women Enrolled in Medicare

The Inflation Reduction Act (IRA) is helping people with Medicare, including nearly 30 million women enrolled in Part D. Our review shows that, in 2020, about 733,000 women enrolled in Part D and B would have benefited from the IRA's $35 insulin cap and, in 2021, about 2 million women would not have had any out-of-pocket costs for recommended adult vaccines covered by Part D. Under the IRA's Part D redesign, about 857,000 women enrollees who do not receive financial assistance are projected to save $1,000 or more in 2025. Additional benefits are expected for women from other IRA drug-related provisions.

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KEY POINTS

- Among Medicare enrollees, women have disproportionately higher rates of certain health conditions relative to men, including Alzheimer's disease, asthma, fibromyalgia, osteoporosis, and certain types of cancer.[1]
- The IRA expanded the low-income subsidy (LIS)[*] program in 2024 by expanding eligibility of the full LIS group so that enrollees who previously met the requirements for the partial LIS group are now eligible for the full LIS benefit. Women are disproportionately represented among Medicare enrollees receiving low-income subsidy (LIS) and among those whose out-of-pocket costs have gone down due to the expansion of LIS eligibility under the IRA.
- The IRA caps the out-of-pocket cost per covered insulin product to $35 for a month's supply, which will result in greater affordability of insulin for women enrolled in Medicare.[†] This provision went into effect in January 2023 for covered insulin products under Part D and in July 2023 for covered insulin products under Part B. About 733,000 women enrolled in Medicare were taking insulin and would have benefited from the insulin cap if it had been in effect in 2020.
- The IRA vaccine provision made certain Part D-covered adult vaccines available without enrollee cost-sharing starting in January 2023. Among the 3.4 million enrollees who received a vaccine

[*] For eligible enrollees with limited income and resource, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 established Extra Help for prescription drugs. Subsidies are paid by the Federal government to drug plans and provide assistance with premiums, deductibles, and co-payments.

[†] The $35 cap for a month's supply of each covered insulin product went into effect for Part D enrollees on January 1, 2023 and for Part B covered insulin on July 1, 2023.

under Medicare Part D in 2021, nearly 2 million were women.[2] These enrollees would have had no out-of-pocket costs under the IRA vaccine provision if it had been in effect in 2021.
- Starting in 2025, enrollee out-of-pocket spending in Part D will be capped at $2,000 per year. This cap, which will be indexed to inflation, will help enrollees who take high-priced drugs, including women enrolled in Medicare who have higher rates of certain health conditions that require costly medications (e.g., cancer).
- Among female non-LIS enrollees projected to have out-of-pocket savings under the IRA's Part D redesign provisions, a sizeable number (about 857,000 or 4 percent of female non-LIS enrollees) will have savings of $1,000 or more in out-of-pocket costs. This subset of women enrolled in Medicare is estimated to save an average of $2,444 on out-of-pocket prescription drug costs in 2025.[3]
- Enbrel is one of the 10 Part D drugs selected for the first cycle of Medicare drug price negotiations. The share of enrollees using Enbrel that are women is about 72 percent, a proportion that is 16 percentage points greater than female representation in the Part D population (56 percent).

BACKGROUND

The Inflation Reduction Act (IRA) is improving the affordability of prescription drugs for all Medicare enrollees through a variety of drug-related provisions, including:*

- capping out-of-pocket spending for prescription drugs covered under Part D,
- improving coverage of certain drugs, including insulin and vaccines,
- expanding eligibility for financial assistance,
- changing the Part D benefit structure, and
- authorizing the Secretary of the Department of Health and Human Services to negotiate prices directly with participating manufacturers for selected drugs that are high expenditure, single source drugs without generic or biosimilar competition.

This fact sheet outlines the positive impacts of the IRA's key drug-related provisions for women enrolled in Medicare Part D.

Medicare Enrollment

In 2022, about 53 million Medicare enrollees have Part D prescription drug coverage, of whom about 29.9 million (56 percent) were women.†

Health Status and Access to Care Among Women

Women of all ages living in the US have disproportionately higher rates of certain health conditions and adverse health-related outcomes relative to male peers. For example:

- Despite the numerous efforts to reduce barriers to care and improve health outcomes for women, health disparities in gender persist. According to the Centers for Disease Control and Prevention (CDC), morbidity and mortality rates for Multiple Sclerosis, certain types of cancer, Alzheimer's Disease, and dementia are higher for women than men.[4] [5]
- Cardiovascular disease is the leading cause of death in women. According to the CDC, in 2020, heart disease killed 314,186 women, which is about 1 in 5 female deaths.[6]

* For a complete list of IRA drug-related provisions, please see: Inflation Reduction Act and Medicare | CMS

† In this fact sheet, the terms female and woman are used interchangeably to refer to beneficiaries identified as female in Medicare enrollment records.

- Autoimmune conditions, such as rheumatoid arthritis, are more prevalent among women, with up to 80 percent of autoimmune conditions occurring among women. [7] Studies have also found higher rates of inflammatory bowel diseases (e.g., Crohn's disease and ulcerative colitis) among women relative to men. [8]

Women enrolled in Medicare face similar health risks to those in the broader US population. Among women in the Medicare population, existing research finds:

- In 2021, women represented 54 percent of the total Medicare population but accounted for 67 percent of enrollees diagnosed with Alzheimer's Disease.[9]
- Women are also at much greater risk for osteoporosis, a disease which causes bones to weaken and break more easily. Among Medicare beneficiaries diagnosed with osteoporosis, 89 percent are women.[10]
- Breast cancer overwhelmingly affects women more than men. More than 99 percent of breast cancer patients are women. In 2021, nearly 1.5 million Medicare enrollees had breast cancer.[11]
- Women face an increased risk for developing Multiple Sclerosis (MS) and account for three quarters of those diagnosed with the disease.[12] In 2021, over 222,000 Medicare beneficiaries were living with MS.[13]

Due to newly enacted provisions in the IRA, nearly 860,000 non-LIS women enrolled in Medicare Part D are estimated to ***save an average of $2,444*** *in 2025.*

Projected Impacts of IRA's Drug-Related Provisions

Below, we highlight key drug-related provisions of the IRA and their potential impacts on women enrollees.

Expansion of Financial Assistance through the Low-Income Subsidy (LIS) Program

The Medicare Part D LIS program assists enrollees, who meet income and asset limits, in paying for their Part D-covered drugs. Prior to the IRA, in order to be eligible for full LIS, an enrollee needed to have income below 135 percent of the Federal Poverty Level (FPL) **(**or $19,683 per year in 2023 for an individual)**.**[*] Enrollees were eligible for partial assistance if their incomes were between 135 and 150 percent of FPL. Beginning in 2024, the IRA expanded full LIS benefits to individuals with incomes between 135 and 150 percent of FPL. Through full LIS benefits, eligible low-income people with Medicare can benefit from no deductible, no premium, and low, fixed copayments for covered Part D medications. The partial benefits phased out by the IRA include a premium paid on a sliding scale and higher coinsurance for covered prescription drugs.

Projected Impact: In 2020, about 461,000 Medicare enrollees received partial LIS benefits; about 60 percent of whom were women, which is higher than their share of Part D enrollees (56 percent). Women are also overrepresented among enrollees who were eligible for but not enrolled in LIS benefits, accounting for 64% of enrollees in this group. In 2020, more than 1.8 million women were eligible for but not enrolled in LIS benefits.[14] Analysis suggests that expansion of full LIS benefit eligibility could reduce average annual out-of-pocket costs for these enrollees by $300.[15†] This provision is expected to help women ages 65 and older or those who qualify for Medicare based on disability or illness. The poverty rate among women in the U.S. is 13.8 percent, which is higher than the rate for men at 11.4 percent.

[*] This is in addition to meeting asset requirements. For details on the LIS and partial LIS program, please see here: Limited Income and Resources | CMS

[†] A detailed description of the methodology used in this analysis is available in the cited issue brief.

Out-of-Pocket Spending Capped at $35 for a Month's Supply of each covered insulin product

Under the IRA, insulin is capped at $35 for a month's supply of each covered insulin product. This provision went into effect in January 2023 for covered insulin products under Part D and in July 2023 for covered insulin products under Part B. Prior to the IRA, there was no cap on out-of-pocket costs for covered insulin products under Medicare Part B or Part D.* Taking insulin as prescribed is critical to controlling diabetes, however, patients may ration their insulin if they cannot afford it.[16] Consequences of uncontrolled diabetes include hospitalizations and serious health consequences. Women with diabetes have a higher risk of heart disease and blindness than men with diabetes. Moreover, women with diabetes have lower survival rates and quality of life following a heart attack than men.[17]

Projected Impact: The IRA capped out-of-pocket costs for insulin to $35 for a month's supply for each covered insulin product. This reduction may improve access to insulin for female enrollees and will reduce out-of-pocket expenditures for enrollees who use insulin. Under Medicare Part B and Part D, nearly 733,000 female enrollees were taking insulin in 2020 and would have benefited from the insulin cap if it had been in effect in 2020. The reduction in out-of-pocket spending, in turn, may improve access and adherence to prescribed insulin regimens, which may avert hospitalizations and health care complications associated with uncontrolled diabetes.†

Elimination of Copays for ACIP-Recommended Part D Covered Vaccines

Under the IRA, as of 2023, enrollees do not have to pay out-of-pocket costs for adult vaccines covered under Part D that are recommended by the Advisory Committee on Immunization Practices (ACIP). Prior to the IRA, Part D-covered vaccines, such as those for shingles, tetanus and diphtheria, pertussis, hepatitis A, hepatitis B, were subject to out-of-pocket costs. Vaccination rates among adults, including older adults, are generally low.

Projected Impact: The IRA provides access to recommended adult vaccines covered under Medicare Part D without any out-of-pocket costs. Among 3.4 million enrollees who received a vaccine under Medicare Part D in 2021, nearly 2 million were women.[18] These women enrollees paid approximately $133.4 million in out-of-pocket costs for Part D covered vaccines, averaging about $68 per enrollee receiving a vaccine in 2021. These enrollees would not have had to pay out of pocket for recommended vaccines covered under Part D if the IRA vaccine provision had been in effect in 2021.[19] Many factors shape whether individuals are able to obtain recommended vaccinations, including out-of-pocket costs. Thus, this provision may increase accessibility of ACIP-recommended, Part D-covered vaccines for this population through the elimination of out-of-pocket spending.

Changes in Part D Benefit Design

The IRA changes the Part D benefit design. Key changes include: 1) Beginning in 2024, reducing cost sharing in the catastrophic phase from 5 percent to zero, and 2) Beginning in 2025, imposing a $2,000 out-of-pocket cap that is indexed to inflation annually thereafter and eliminating the coverage gap phase. It also limits annual increases in Part D base beneficiary premiums to 6% and allows enrollees to spread their out-of-pocket prescription costs over the year.

* The Part D Senior Savings Model required participating enhanced alternative Part D plans to offer insulin at reduced cost prior to the passage of the IRA. For more information on this Model, please see here: Part D Senior Savings Model | CMS Innovation Center

† There are many reasons why patients may not be able to follow prescribed insulin regimens and out-of-pocket costs are one factor. Please see the following for a more detailed discussion: aspe-insulin-affordibility-rtc.pdf (hhs.gov).

Projected Impact: The Part D redesign is expected to help all enrollees, but especially those who have the highest out-of-pocket drug spending. Women enrolled in Medicare have higher rates of serious health conditions, such as certain cancers, autoimmune conditions, asthma, and Alzheimer's Disease, and are expected to benefit from these provisions.

In 2025, the out-of-pocket cap and other Part D related provisions[*] in the IRA are projected to save female enrollees an average of 28 percent in out-of-pocket costs, which translates to an average annual savings of about $128 for female enrollees.[20] Among female non-LIS enrollees projected to have out-of-pocket savings under the IRA, a sizeable number (about 857,000 or 4 percent of female Medicare non-LIS enrollees) will have savings of $1,000 or more in out-of-pocket costs. Among this population with savings of $1,000 or more, female non-LIS enrollees are estimated to save an average of about $2,444 on out-of-pocket prescription drug costs.[21]

Negotiation for Selected Drugs for Initial Price Applicability Year 2026

Under the IRA, the Secretary of the Department of Health and Human Services (HHS) is required to directly negotiate the prices of certain high expenditure, qualifying single source Medicare drugs without generic or biosimilar competition with participating manufacturers.[22] The 10 Medicare Part D drugs selected for negotiation for initial price applicability year 2026 are presented in Table 1 below along with the common conditions they treat, the total number of Medicare Part D enrollees taking the drug in calendar year 2022, and the percent of enrollees taking the drug who are women.

Projected Impact: The projected impact of the negotiation for the selected drugs for initial price applicability year 2026 is not yet available. However, existing analysis shows that in 2022 more than 4.5 million women took at least one of the ten drugs selected for negotiation.[†] Woman Medicare enrollees also spent $1.55 billion in out-of-pocket costs on the drugs selected for negotiation. Women enrollees account for an outsized share of the enrollee population using two of the ten drugs selected for negotiation relative to their share of the overall Medicare population. The share of women enrollees taking Enbrel, one of the selected 10 drugs, in 2022 is about 72 percent, which is 16 percentage points greater than their representation in the total Part D population (56 percent). The average out-of-pocket cost of Enbrel for women enrollees not receiving LIS subsidies in 2022 was $1,929. Women are also overrepresented in the population of enrollees taking Stelara, accounting for 59 percent of utilization. The average out-of-pocket cost of Stelara for women enrollees not receiving LIS in 2022 was $4,172. Enbrel and Stelara are both indicated to treat autoimmune disorders, which are diagnosed in women at a rate four times than that of men.[23, 24] Women taking Imbruvica had an average of $6,410 in annual out-of-pocket costs for this drug, the highest amount of any of the ten drugs selected for negotiation.

[*] The ASPE model did not include the estimated effects for all Part D drug related provisions in the IRA. Instead, it focused on provisions that are expected to have a direct impact on Part D out-of-pocket spending. A detailed list of provisions included in the model is available here: https://aspe.hhs.gov/reports/medicare-part-d-enrollee-out-pocket-spending

[†] This number may include duplicate counts of enrollees who are taking more than one of the ten drugs.

Table 1. Medicare Part D Enrollees' Calendar Year 2022 Use of Drugs Selected for Negotiation for Initial Price Applicability Year 2026

Drug Name	Commonly Treated Conditions	Total Number of Medicare Part D Enrollees Taking the Drug in CY 2022	Share of Enrollees Taking Each Drug That are Women in CY 2022
Eliquis	Prevention and Treatment of Blood Clots	3,505,000	52%
Jardiance	Diabetes; Heart failure	1,321,000	45%
Xarelto	Prevention and Treatment of Blood Clots; Reduction of Risk for Patients with Coronary or Peripheral Artery Disease	1,311,000	49%
Januvia	Diabetes	885,000	55%
Farxiga	Diabetes; Heart Failure; Chronic Kidney Disease	639,000	46%
Entresto	Heart Failure	521,000	38%
Enbrel	Rheumatoid Arthritis; Psoriasis; Psoriatic Arthritis	47,000	72%
Imbruvica	Blood Cancers	22,000	42%
Stelara	Psoriasis; Psoriatic Arthritis; Crohn's Disease; Ulcerative Colitis	20,000	59%
NovoLog/Fiasp[b]	Diabetes	763,000	54%

Source: Available from: ASPE-IRA-Drug-Negotiation-Fact-Sheet-9-13-2023.pdf (hhs.gov)

Notes: Percentages are calculated for female enrollees using the total number of enrollees taking the drug as the denominator. ASPE estimates may differ from drug use figures reported by CMS due to differences in the time period that is examined. The drug use estimates are for Part D enrollees using the drug and not limited to those using the drug for the conditions shown in this Table.

[b]The drug is also identified with the proprietary names: NovoLog; NovoLog FlexPen; NovoLog PenFill; Fiasp; Fiasp FlexTouch; Fiasp PenFill.

CONCLUSION

The IRA includes provisions to increase accessibility and affordability of prescription drugs for Part D enrollees, reduce the rate of growth in Medicare drug spending, and improve the financial sustainability of the Medicare program. This fact sheet reviews the estimated impacts of key IRA provisions for women enrolled in Medicare. Findings suggest that the IRA's Medicare drug-related provisions are projected to improve the affordability of medications for women enrolled in Medicare.

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