

Administration of Joseph R. Biden, Jr., 2024

Statement on Prescription Drug Costs Under Medicare
December 31, 2024

I believe that health care should be a right—not a privilege—and throughout my Presidency I have advanced that goal. This week, we take another step closer to an America where everyone can afford the quality health care they need, as Medicare's new \$2,000 cap on prescription drug costs from my Inflation Reduction Act goes fully into effect.

Before I took office, people with Medicare who took expensive drugs could face a crushing burden, paying \$10,000 a year or more in copays for the drugs they need to stay alive. When I took on Big Pharma and won, we changed that, capping seniors' out-of-pocket spending on drugs they get at the pharmacy for the first time ever. Costs were capped at about \$3,500 in 2024, and in just the first 6 months of the year, this policy saved people with Medicare \$1 billion in cost sharing. On January 1, 2025, the cap on drug costs fully phases in, and costs are now capped at \$2,000 per year. As a result, 19 million people are expected to save an average of \$400 each. That's a game changer for the American people.

My Inflation Reduction Act has changed Medicare for the better, and as a result, Americans will have more money back in their pockets in the years to come.

Categories: Statements by the President : Prescription drug costs under Medicare.

Subjects: Health care costs and affordability; Medicare and Medicaid programs; Prescription drug costs, reduction efforts.

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