

#INSULIN4ALL FACT SHEET

What does the passage of the Inflation Reduction Act mean for the #insulin4all movement?

The US federal bill, the Inflation Reduction Act, has been in the works since mid-2021, and represents policy work that has been happening in many iterations for decades to close loopholes in Medicare, expand the Affordable Care Act (ACA), reform taxes, and curb climate change.

The Inflation Reduction Act includes provisions to cap copays on insulin for Medicare beneficiaries at \$35 a month per insulin type. However, this bill does not allow for [insulin prices to be negotiated by Medicare](#), nor for insulin copay caps on private insurance. *Even if* these provisions were included, it would not have helped the most vulnerable people with diabetes, most concerning, the uninsured.

That's why T1International is continuing to work for a true federal price cap on insulin (*not* just a copay cap) to save lives and to hold Big Pharma accountable.

Here's what else the Inflation Reduction Act will mean for the #insulin4all movement:

15% minimum tax for Big Pharma

This minimum tax will apply to companies that report to their shareholders at least \$1 billion in annual profits and who use deductions, credits, and other preferential tax treatments to reduce their effective tax rates. Big Pharma gets [tax breaks](#) when they donate to patient advocacy organizations, which they do in huge sums. These donations influence their advocacy efforts. Big Pharma also gets tax breaks when they give coupons for lowered product costs to those who can't afford medication through patient assistance programs. Some even see tax breaks for TV ads. If Big Pharma companies haven't been paying their fair share of taxes, this new law will help hold them to account.

Funding IRS to Investigate Big Pharma

The Inflation Reduction Act increases the Internal Revenue Service (IRS) budget over the next 10 years, including funding enforcement at \$45.6 billion. In 2019, Eli Lilly kept over [\\$161 million](#) in "unrecognized tax benefits" (UTBs) that they decided were illegal because tax authorities failed to come to a final determination before the statute of limitations ran out. By funding more staff to do investigations, corporations will be more likely to pay their fair share of taxes.

Lowering prescription drug costs for Medicare beneficiaries

While insulin specifically would not be able to be negotiated by Medicare, other drugs would be negotiated, ideally seeing lower drug prices and lower out-of-pocket drug costs for Medicare beneficiaries. A copay cap on insulin for Medicare beneficiaries of \$35 per insulin goes into effect next year, and people will be able to access insulin at this cost regardless of whether they have met their deductible. A \$2,000 cap on out of pocket drug spending will help the [1.4 million Medicare Part D enrollees](#) who paid more than that in 2020.

A 3-year extension on Affordable Care Act health care subsidies

Insurance premium payments in 2022 would have been over [50% higher \(more than \\$700 per year or more\)](#) for ACA enrollees without this extension.

Inflation caps and rebates

Most drugs covered by Medicare have seen price increases above the rate of inflation, [including many insulins](#). Drug companies will now have to pay rebates if drug prices rise faster than inflation, holding them to account.

Are there other provisions that would impact you? Do you have more questions? Let us know!

Other resources:

- [What are the Prescription Drug Provisions in the Inflation Reduction Act?](#) (KFF)
- [How will the Prescription Drug Provisions in the Inflation Reduction Act Affect Medicare Beneficiaries?](#) (KFF)
- [White House State Fact Sheets](#)

About T1International

T1International is a global type 1 diabetes advocacy organization led by people with type 1 diabetes for people with type 1 diabetes. T1International believes in a world where everyone with type 1 diabetes – no matter where they live – has everything they need to survive and achieve their dreams. The organization accepts no funding from pharmaceutical companies and provides advocacy training and support to advocates. In 2014 T1International launched the #insulin4all campaign, which has grown into a global movement. T1International supports 41 #insulin4all Chapters across the US and advocates and partners in more than 20 countries around the world.