

COMMITMENT[✓]to SENIORS

September 17, 2024

The Honorable Mike Crapo, Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Ranking Member Crapo,

Ahead of today's committee hearing on "[Lower Health Care Costs for Americans: Understanding the Benefits of the Inflation Reduction Act](#)," I am writing to urge you to immediately address the Inflation Reduction Act's (IRA) costly failures and disastrous financial impacts on older Americans. Democrats and Biden-Harris promoted the IRA to seniors as a solution to lower costs, improve health care access, and strengthen the Medicare program. However, older Americans are facing a different reality.

The IRA diverted an estimated [\\$260 billion](#) from Medicare to pay for Democrats' green energy and other unrelated spending projects, including billions in costly tax credits for electric vehicle buyers and a windfall of massive tax subsidies paid to big insurer-PBM corporations. Most special interest handouts were paid out before new benefits were promised to seniors.

AARP spent over \$60 million in advertising to help pass the partisan bill and remains AWOL on PBM pricing reforms for Medicare, perhaps the most significant health care policy Congress is debating this year. The one-time seniors advocacy group is now paid over a billion dollars a year in corporate royalties—three times more than it earns in member dues—most of it from UnitedHealth, America's largest insurer and PBM company.

Nearly two years after the IRA's passage, seniors are seeing none of the promised benefits. Instead, Medicare costs are skyrocketing, with Part D premiums [surging by an average of 20%](#) and some facing nearly a 50% increase. Insurers warn that next year will bring even higher costs, burdening seniors with unaffordable premiums and out-of-pocket expenses. Instead of easing financial pressure, the IRA has only deepened it for those needing relief.

The results of all the overhyped drug price "negotiation" provisions have been meager. The touted savings amount to a mere [\\$1.5 billion](#), spread across 67 million Medicare beneficiaries, about 20 dollars a year if averaged across all beneficiaries.

Worse yet, neither the savings nor the cap will take effect next year or the year after. The cap on out-of-pocket spending that Democrats promoted so heavily will impact less than 6% of all enrollees, meaning the vast majority of seniors will not see major savings.

Meanwhile, Medicare plan options are rapidly dwindling, hitting a record low. Over [two million seniors](#) risk losing their current Part D plans as the range of choices continues to shrink. Rather than expanding access and choice as promised, the IRA is stripping away critical options, leaving beneficiaries with fewer paths to affordable care.

Access to lifesaving treatments is under threat. Insurers, empowered by the IRA's flawed structure, are imposing more aggressive prior authorizations and restrictions on essential therapies. These barriers make it harder for seniors to get the treatments they rely on, jeopardizing their quality of care and creating even more uncertainty about their health outcomes. As Congress seeks to examine the impact of the IRA, I urge the committee to address the failures of this legislation and its effect on older Americans. Medicare's future should not be compromised by policies prioritizing subsidies for electric vehicles or health insurer profits at the expense of seniors.

If you'd like to learn more about the Biden-Harris administration's raid on Medicare through the IRA, we invite you to visit www.EndTheRaid.org. Additionally, I would welcome the opportunity to discuss this matter in more detail with you or a member of your staff whenever feasible.

Sincerely,

Phil Kerpen, President
American Commitment

Cc:

Senator Chuck Grassley
Senator John Cornyn
Senator John Thune
Senator Tim Scott
Senator Bill Cassidy
Senator James Lankford
Senator Steve Daines
Senator Todd Young
Senator John Barrasso
Senator Ron Johnson
Senator Thom Tillis
Senator Marsha Blackburn