November 19, 2021

House Passes Historic Build Back Act that Lowers Drug Prices, Funds Home Care and Hearing Aids

The House voted 220-213 to pass the Build Back Better Act, H.R. 5376, Friday morning, sending President Biden’s sweeping plan to invest in middle class families and expand long-awaited social programs to the U.S. Senate. The bill contains numerous benefits for older Americans, including:

- Lower prescription drug prices for all Americans by allowing Medicare to negotiate lower prices for some medicines and through several other mechanisms;
  - a $35 per-month limit on the cost of insulin under Medicare and a cap on out-of-pocket prescription drug costs at $2,000 per year;
  - $150 billion to expand home health care services for seniors and people with disabilities, along with increased wages and benefits for caregiving workers. Hundreds of thousands more Americans would be able to receive the long-term care and services they need at home, rather than in an institution;

- Guaranteed hearing benefits for Medicare beneficiaries, including coverage for new hearing aids every five years;
- Medicare coverage of all vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) -- such as shingles, which would be covered at no cost;
- Extended Affordable Care Act subsidies, which would be especially helpful to older Americans who are not yet eligible for Medicare.

According to the Congressional Budget Office, drug negotiations will save Medicare $262 billion. The bill must now go to the Senate, where it will likely be amended, then sent back to the House, before it can become law.
“The Alliance applauds the House passage of the historic Build Back Better bill that will significantly improve the lives of older Americans,” said Richard Fiesta, Executive Director of the Alliance. “Seniors appreciate that the bill takes steps to lower prescription drug prices for retirees and all Americans. Now that the House has voted, it's time for the Senate to deliver for the American people without delay.”

UAW Members End John Deere Strike with Higher Wages and Stronger Retirement Benefits

Wisconsin Alliance members traveled to Iowa to join the John Deere picket lines.

Over 10,000 striking John Deere workers have returned to work Thursday after ratifying a new contract. The agreement includes wage increases and was ratified after union members rejected a previous contract.

The workers, members of the UAW, ratified a new six-year agreement that includes 10 percent increases in wages this year, and a total increase of 20 percent over the life of the contract, the United Auto Workers said. In addition to the wage increases, the newly ratified deal includes an $8,500 signing bonus, more retirement options and makes no changes to health care.

Iowa Alliance members were also on the John Deere picket lines.
“Thank you to our Alliance members, particularly those in Wisconsin and Iowa, who joined the picket line last week in a show of solidarity,” said Robert Roach, Jr., President of the Alliance. “ Strikes are never easy, but in the end, these union members secured better wages, benefits and a stronger retirement for themselves and their families.”

**Medicare Premiums to Take a Big Bite out of Social Security’s 5.9% COLA in 2022**

The standard monthly Medicare Part B premium in 2022 will rise to $170.10 from $148.50 in 2021 – a 14.55% jump and more than double what had been expected.

A Centers for Medicare and Medicaid Services (CMS) official told CNN that $10 of the $21.70 increase was due to the price of the new Alzheimer’s drug Aduhelm. CMS has not yet determined whether Medicare will cover the drug, which costs $56,000 per year per patient, and could cost Medicare $29 billion in just one year.

The price of Aduhelm is just one potential issue with the new drug. The FDA’s approval raised many questions and concerns about the process, the drug’s efficacy and its price tag. Several congressional committees are looking into the approval process, and the agency’s inspector general is reviewing it.

“It is mind-boggling that one drug is so expensive that millions of seniors are being hit by a huge spike in their Part B premiums,” said Joseph Peters, Jr., Secretary-Treasurer of the Alliance. “Our work to lower drug prices is far from over.”


By Elisabeth Rosenthal

*Kaiser Health News*

Democrats and Republicans are crystal clear in polls that they want the government to be allowed to negotiate down high drug prices. Americans pay nearly three times as much for drugs as patients in dozens of other countries. In the past two years, numerous Democratic candidates — including President Joe Biden — have campaigned on enacting such legislation.

This year, the polling group at KFF asked respondents about support for drug price negotiations after giving them the commonly offered arguments, pro and con: On the pro side, lower prices mean people can better afford their medicines; on the con side, lower profits mean the possibility of less innovation and fewer new drugs. Large majorities supported the idea of Medicare negotiating with pharmaceutical firms to get lower prices for both its beneficiaries and people with private insurance: 83% overall, including 95% of Democrats, 82% of independents and 71% of Republicans.

Similarly, in recent polling funded by the Robert Wood Johnson Foundation, 84% of respondents said the government should be allowed to put limits on prices for drugs that save lives and for common chronic illnesses, like diabetes. (Funding from the foundation supports KHN’s journalism.)

No wonder groups linked to PhRMA, the pharmaceutical industry’s trade association, are blanketing the airwaves with ads featuring patients with serious illnesses who say that price
negotiation would mean people would not get vital medicines and could die. Voters aren’t buying it: 93% of Americans and 90% of Republicans said they believe that drugmakers would still make enough money to develop drugs if prices were lowered, the KFF poll found. (KHN is an editorially independent program of the Kaiser Family Foundation.)

Read more here.

The Alliance for Retired Americans is a national organization that advocates for the rights and well-being of over 4.4 million retirees and their families.