



# FRIDAY ALERT



## Alliance for Retired Americans

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## Lower Insulin Prices, Out-of-Pocket Cost Caps for Medicare Beneficiaries Kick Off 2024

Medicare beneficiaries will see a [wide array](#) of cost-saving benefits in the new year. Thanks to the **Biden** Administration, seniors will continue to pay no more than the monthly cap of \$35 for insulin, and vaccines under Part D will be free.

Going forward, if a beneficiary's drug costs are high enough to reach the catastrophic coverage phase, they will not have to pay coinsurance or make copayments. This effectively caps out-of-pocket expenses at \$3,250 in 2024.

Another major change this year is the Part D Low-Income Subsidy program, Extra Help, which will now cover more drug costs for those who earn less than 150% of the federal poverty level. Qualifiers for the program will pay no more than \$4.50 for generic drugs and \$11.20 for brand-name drugs.

These 2024 benefits are only a few of the annually unrolling policies that are aimed at limiting Medicare costs under the Inflation Reduction Act that President Biden signed in 2022. Last year, drug companies were forced to participate in price negotiations with Medicare, which will lead to lower prices, and in 2025, the annual Part D out-of-pocket cap will be lowered to \$2,000.

"Beginning with insulin, seniors are finally seeing the affordable prices they deserve for life-saving drugs," said **Richard Fiesta**, Executive Director of the Alliance. "These changes in 2024 are important steps toward curbing drug corporation greed."

## 220 People Finished Paying Social Security Taxes on New Year's Day

Just a few hours into 2024, more than 220 Americans, including SpaceX/Tesla/X's **Elon Musk** and Apple's **Tim Cook**, [paid all their Social Security taxes](#) for the year. This comes in sharp contrast to the over 160 million American workers who will continue to pay Social Security taxes on the income they earn all year.



Elon Musk

This wide disparity is due to the cap on maximum earnings subject to Social Security tax — \$160,200 in 2023 and now \$168,600 in 2024.

If the top ten CEO's paid Social Security tax on all their income — including stock options — the system would have received \$3.4 billion.

“If the wealthiest Americans paid their fair share, we could strengthen the Social Security program and even expand benefits,” said **Joseph Peters, Jr.**, Secretary-Treasurer of the

Alliance. “It is time for Congress to adopt this common sense solution and deliver greater retirement security for all.”

### **Pharmaceutical Corporations Expected to Raise Prices on Over 500 Drugs This Month**

Some of the largest American pharmaceutical companies, including Pfizer, Sanofi, and Takeda Pharmaceutical, [plan to raise prices on over 500 drugs](#) starting this month according to data analyzed by healthcare research firm 3 Axis Advisors. The price hikes will affect over 140 brands of drugs.

Pfizer, including the Hospira arm of the company, is responsible for the most price increases this month, with plans to hike prices on 146 drugs in total – more than a quarter of all price increases. Another major company, Takeda Pharmaceutical, has 53 price increases planned, ranking it second to Pfizer in number of price hikes.

January has consistently been the month with the most drug price increases, so in all likelihood more will be announced in the coming weeks. The median price increase remains around 5%.

The price increases coincide with President **Biden's** policies aimed at reigning in pharmaceutical price gouging, including allowing Medicare to negotiate directly with pharmaceutical companies to lower prices beginning in 2026. The publication of discounted prices for 10 high-priced drugs will come in September.

The administration has also combatted major price hikes by requiring that drug companies pay rebates to Medicaid when prices rise faster than the inflation rate.

“The pharmaceutical industry’s greed has no bounds and seniors need protection,” said **Robert Roach, Jr.**, President of the Alliance. “President Biden has taken strong action and some critical

drug prices are going down but more is needed. Patient needs must come before corporate profits.”

## Hearing Aids May Boost Longevity But Must Be Used Regularly

A new study has [found](#) that restoring hearing loss with hearing aids may lengthen people's lives.

**Dr. Janet Choi**, an otolaryngologist with Keck Medicine of USC, wanted to evaluate whether restoring hearing with hearing aids could increase the chances of living longer, so she and her colleagues tracked the status of nearly 1,900 adults who had been shown to have hearing loss during screenings.

They found that patients using hearing aids regularly had a 24% lower risk of mortality compared to the group who never used hearing aids. The researchers had hypothesized this would be the case, given [previous studies](#) pointing to the negative impacts of untreated hearing loss, but they did not expect such a big difference in mortality risk.



The study, which was published in *The Lancet Healthy Longevity* Wednesday, adds to the evidence of benefits from hearing aids found in prior research but does not necessarily prove that it's the hearing aids that lead to longer life — it could be that people who regularly use hearing aids are also more likely to stave off isolation, remain more active or have reduced risk of falls, which could explain the increased longevity. The effect held up even when the researchers took into account differences such as age, ethnicity, education and medical history.

Approximately 40 million adults in the U.S. have hearing loss, but most don't use hearing aids. Given the benefits, Choi says it's stunning how few people with hearing loss wear hearing aids regularly – just 12%, according to her study. Another striking finding was that the people in the study who had hearing aids but didn't use them regularly were as likely to die prematurely as those who never used them.

“We now have more affordable over-the-counter hearing aids thanks to President Biden’s policies,” said President **Roach**. “They make an enormous difference for the hearing-impaired, both socially and in their overall health – we just need to use them.”