Alliance for Retired Americans®

FACT SHEET

JANUARY 2024

The Inflation Reduction Act and Prescription Drug Prices

Americans pay the highest prices for prescription drugs in the world, and older and retired Americans, who take the most medications to stay healthy and often live on fixed incomes, bear the brunt of this crisis. One in four people over the age of 65 reports not taking at least one prescription drug as prescribed due to its cost. Meanwhile, pharmaceutical corporations are making record profits, lining the pockets of their executives and shareholders while patients struggle to afford the drugs they need to stay healthy.

To help reverse the pharmaceutical industry's stranglehold on our health care system, on August 16, 2022 President Biden signed the Inflation Reduction Act into law. It means lower prescription drug prices for millions of Medicare beneficiaries.

The law is already lowering prescription drug prices.

Medicare beneficiaries pay no more than $35 per month for insulin.

Co-pays for a one month supply of insulin are capped in Medicare Part D and Medicare Advantage Prescription Drug Plans (MA-PDs) at $35.

This provision helps more than 3.3 million Medicare beneficiaries who use one or more of the common forms of insulin.

All recommended adult vaccines are free for Medicare beneficiaries.

4.1 million Medicare beneficiaries with Medicare Part D and MA-PDs no longer have a co-payment for any vaccines that are recommended for adults by the Advisory Committee on Immunization Practices. For example, the shingles vaccine, which previously cost more than $300 per patient, is now free.

Drug corporations are prohibited from increasing the price they charge Medicare for a drug more than the rate of inflation.

Drug corporations that increase the price of its products faster than their inflationary cost must pay the amount that exceeds inflation back to Medicare. This provision addresses brand name drug corporations' long-standing practice of yearly price increases — often more than twice the rate of inflation — and helps reduce the amount seniors pay for their prescriptions. It will also strengthen the Medicare program's finances.

Out of pocket prescription drug expenditures are capped for Medicare Part D and MA-PD beneficiaries:

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. In 2024 annual out of pocket drug expenses are effectively capped at $3,250.

In 2025, Medicare Part D beneficiaries will not have to pay more than $2,000 per year for out of pocket prescription drug costs. This will help the 1.4 million beneficiaries who today spend more than $2,000 each year on prescription drugs.

Requiring Medicare to negotiate lower prices for the 20 highest priced prescription drugs:

The Inflation Reduction Act repeals the 2003 Medicare Prescription Drug, Improvement and Modernization Act. That law explicitly prohibited HHS from negotiating for lower prescription drug prices with the pharmaceutical industry on behalf of Medicare beneficiaries. The Alliance worked for nearly two decades to convince Congress to allow HHS to negotiate lower drug prices.

Under the Inflation Reduction Act, in 2026 the Secretary of Health and Human Services must negotiate the prices for 10 Medicare Part D drugs, and 15 in 2027. In 2028 HHS will negotiate the prices of 15 high priced drugs in Parts B and D, while in 2029 and thereafter, HHS will negotiate prices of 20 prescription drugs from Parts B and D.

An extension of Affordable Care Act subsidies for three years:

The Inflation Reduction Act will help approximately 13 million Americans pay for health insurance and prevent 3 million from becoming uninsured. It does this by extending premium subsidies that low and middle-income people received during the coronavirus pandemic to get health coverage under the Affordable Care Act through 2025. It also allows those with higher incomes who became eligible for such subsidies during the pandemic to keep them.

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FACT SHEET

DECEMBER 2023

Social Security and Medicare: Current Facts and Figures

The Many Faces of Social Security

- Nearly 182 million workers contribute to Social Security through payroll taxes.
- Nearly 68 million people receive monthly Social Security benefits:
    - 53 million people receive retirement benefits
    - 5.8 million people receive survivors' benefits
    - 8.5 million people receive disability benefits.
- Beneficiaries by state

Average November 2023 Monthly Social Security Benefit

- A retired worker: $1,845
- A retired couple: $2,731
- Disabled worker: $1,490
- Disabled worker with spouse and child: $2,374
- Widow or widower: $1,718
- Young widow or widower with two children: $3,377
- Maximum Monthly Social Security Benefit: $3,627 (for worker retiring at Full Retirement Age).

Social Security Cost of Living Adjustment (COLA) for 2024: 3.2%

2024 Social Security and Medicare Contribution Amounts

Social Security: 6.2% for both workers and employers. This contribution is paid on earnings up to $168,600.

Medicare: 1.45% for both workers and employers on all wages.

2024 Social Security Eligibility

Full Retirement Age: Depends on your birth year.

Early Retirement Age: 62 (drawing benefits before the full retirement age can reduce Social Security benefits up to 30 percent)

Social Security: When and How to Apply for Benefits

Generally, you should apply for Social Security benefits four months before the date you want your benefits to begin. Click here for more information on when you can apply for Social Security: https://www.ssa.gov/planners/retire/. You can apply in one of the following ways:

- Visit your local Social Security office. Call 1-800-772-1213 to find the nearest office.
- Call Social Security at 1-800-772-1213. If you are deaf or hard of hearing, you can call Social Security at TTY 1-800-325-0778.
- Online: https://secure.ssa.gov/iClaim/rib

The Many Faces of Medicare

- Nearly 182 million workers contribute to Medicare through payroll taxes.
- Approximately 67 million people receive Medicare benefits, including:
  - 58.5 million people age 65 and older
  - 7.9 million people with disabilities under 65
- Beneficiaries by state

2024 Medicare Part A (Hospital Coverage)

Deductible: $1,632 (first 60 days of Medicare-covered inpatient hospital care)
Coinsurance: $0 (Days 1-60), $408 per day (Days 61-90)

2024 Medicare Part B (Physician Coverage)

For all beneficiaries: Part B deductible is $240 and the Part B copayment is 20%.

Individual's income in 2023	Couple's income in 2023	Your 2024 Part B Monthly Premium
$103,000 or less	$206,000 or less	$174.70
$103,000 - $129,000	$206,000 - $258,000	$244.60
$129,000 - $161,000	$258,000 - $322,000	$349.40
$161,000 - $193,000	$322,000 - $386,000	$454.20
$193,000 - $500,000	$386,000 - $750,000	$559.00
$500,000 and Above	$750,000 and Above	$594.00

2024 Medicare Part D (Prescription Drug Coverage)

Monthly Premium: Varies by plan
Deductible: Varies by plan, $545 maximum

Doughnut Hole: $5,030 - $8,000. Beneficiaries in the doughnut hole will pay up to 25% out of pocket for all covered medications. 2024 is the last year for the doughnut hole. A $2,000 out-of-pocket cap takes effect for Medicare Part D in 2025.

Cap on Out-of-pocket Costs: $8,000

In addition to a monthly plan premium, high-income individuals will pay an income-related monthly adjustment amount as noted below:

Individual's income in 2023	Couple's income in 2023	Income-related monthly adjustment amount
$103,000 or less	$206,000 or less	$0.00
$103,000 - $129,000	$206,000 - $258,000	$12.90
$129,000 - $161,000	$258,000 - $322,000	$33.30
$161,000 - $193,000	$322,000 - $386,000	$53.80
$193,000 - $500,000	$386,000 - $750,000	$74.20
$500,000 and Above	$750,000 and Above	$81.00

Medicare: When and How to Apply for Benefits

Medicare is available for people age 65 or older, younger people with disabilities and people with End Stage Renal Disease. If you sign up after you turn 65, you may be penalized unless you have other coverage.

For information about when to apply for Medicare go to https://www.ssa.gov/medicare. To apply for Medicare, call 1-800-772-1213 or visit www.medicare.gov.

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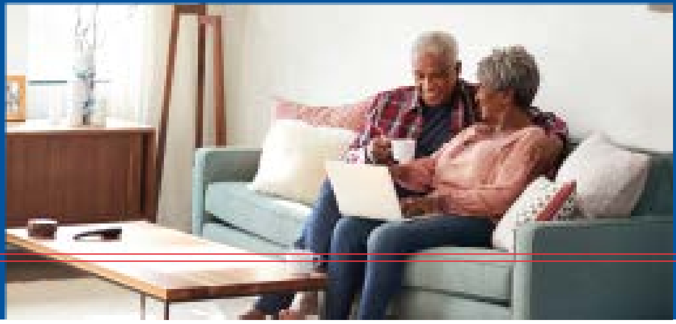


JUNE 2024

What is Project 2025

In April 2023 the Heritage Foundation, a conservative think tank in Washington, D.C., published "Mandate for Leadership, the Conservative Promise, Project 2025."

The 900-page policy blueprint is designed to be the roadmap for a second Trump Administration, should he be elected in November. It was developed by several former Trump administration officials, and it reflects input from over 100 conservative organizations.

Project 2025 would dramatically reshape the federal government by placing the entire Executive Branch of the U.S. government under direct presidential control, eliminating the independence of the Department of Justice, the Federal Bureau of Investigations, the Federal Communications Commission and all other federal agencies, as well as potentially firing thousands of federal government employees.

It would also make dramatic cuts and changes to Social Security and Medicare, the earned benefit programs older Americans rely on for a secure retirement.

Cuts to Social Security

Project 2025 calls for severe cuts to Social Security as well as increasing the full retirement age (FRA) from 67 to 70. This would amount to a cut of nearly 20% in lifetime benefits for every new beneficiary.

A recent Harvard University study found that while wealthy Americans are living longer, those with lower incomes or who work in physically demanding jobs have significantly shorter life expectancies and would see their lifetime Social Security benefits cut dramatically.

Medicare

The Project 2025 plan would make Medicare Advantage (MA) the default enrollment option for people who are newly eligible for Medicare. One problem with this is that when Medicare Advantage was created, insurance corporations argued that they could deliver more benefits to consumers at a lower cost to the government, yet this has not happened. In fact, the Kaiser Family Foundation found that in 2019 Medicare spending for MA enrollees was $321 higher per person than if enrollees had instead been covered by traditional Medicare.

Additionally, although MA plans work well for many older Americans, oftentimes people with chronic conditions or severe health needs face challenging pre-authorization requirements or difficulties to stay in-network.

For example, one may face challenges to manage one's health if it is necessary to see multiple specialists and obtain referrals for each appointment or fight to overturn denials.

Moreover, for those who live in rural areas, where there are fewer doctors and hospitals, narrow Advantage plan networks may be a barrier to getting necessary care. And according to a study in the journal Health Affairs, people living in rural areas were nearly twice as likely to leave an Advantage plan for Original Medicare as those living in urban or suburban areas.

Prescription Drugs

The Project 2025 plan would increase the cost of prescription drugs for Medicare beneficiaries and hurt the solvency of the Medicare Trust fund by repealing the Inflation Reduction Act (IRA).

Medicare would lose the ability to negotiate lower prices for prescription drugs, and beneficiaries would pay more out of pocket for their medications. Drug corporations would not be subject to financial penalties for raising the price of a drug more than the rate of inflation.

Seniors would pay more out of pocket for prescription drugs. The $35 per month out of pocket cap on insulin prices would be eliminated and recommended vaccines would no longer be free for beneficiaries. The $2,000 out of pocket cap on prescription drug spending would also be eliminated for Medicare Part D and Medicare Advantage Prescription Drug beneficiaries.

Medicaid

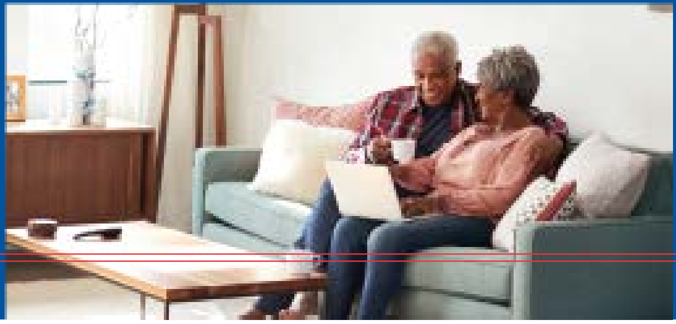
Medicaid is the largest payer of long term care and nursing home services with 3 million vulnerable seniors relying on it to help pay for care each year. Project 2025 would eliminate mandatory benefits in Medicaid, which would allow states to drop coverage of nursing home care.

It would also allow states to increase premiums and cost-sharing on beneficiaries while eliminating existing federal Medicaid beneficiary protections and requirements. States could set time limits on Medicaid coverage and impose lifetime caps on benefits.

With regard to Long-Term Services and Supports (LTSS), the plan proposes to allow states to redesign "eligibility, financing and service delivery" and permit states to eliminate coverage of nursing home care and other LTSS services for some of those who now spend down their assets to become eligible under current law.

Alliance for Retired Americans®

POSITION PAPER



JULY 2023

Expanding Social Security

For decades, Social Security has delivered guaranteed benefits on time and without interruption to millions of Americans. Americans earn their Social Security benefits, contributing into the system with every paycheck.

These benefits are essential to all who rely on them, including seniors, people with disabilities and families of deceased workers.

Today 66 million Americans – one out of every five households – relies on Social Security's lifetime, guaranteed benefits.

To continue to provide retirement security for current and future generations, it is time to strengthen and expand Social Security and increase benefits. Many members of Congress recognize the need for action and are proposing legislation that will ensure the Social Security system remains strong and Americans receive the benefits they have earned.

Alliance for Retired Americans Position

The Alliance for Retired Americans strongly supports federal legislation that increases Social Security benefits, extends the solvency of the Social Security Trust Fund, and repeals the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO).

We believe the practical and fair way to accomplish this is to lift the cap on Social Security payroll taxes above the current $160,200 and require that high-income Americans pay their fair share of taxes into the system.

Each of the bills described below would strengthen Social Security in important ways.

S. 393, H.R. 1046: The Social Security Expansion Act

This legislation, introduced by Sen. Bernie Sanders (D-VT) and Rep. Jan Schakowsky (D-IL), expands Social Security and increases benefits by requiring that wealthy Americans pay their fair share.

This legislation extends the solvency of Social Security for 75 years by lifting the cap and subjecting all income above $250,000 to the Social Security payroll tax.

The bill expands Social Security benefits across the board for current and new beneficiaries, increasing benefits by $200 per month. Additionally, the Cost-of-Living-Adjustments (COLA) is adjusted to more accurately measure the spending patterns of seniors by adopting the Consumer Price Index for the Elderly (CPI-E).

Moreover, it improves the Special Minimum Benefit for Social Security recipients, restores student benefits up to age 22 for children of disabled or deceased workers, and combines the Disability Insurance Trust

Fund with the Old Age and Survivors Trust Fund so that all Americans receive the benefits they have earned.

H.R. 4583 and S. 2280: Social Security 2100, A Sacred Trust Act

Rep. John Larson (D-CT) and Sen. Richard Blumenthal (D-CT) introduced legislation that increases benefits for all beneficiaries and requires that wealthy Americans pay their fair share of Social Security taxes. The bill lifts the payroll cap, subjecting earnings above $400,000 to the Social Security payroll tax, and extends the solvency of the Social Security Trust Fund until 2066.

The legislation also provides a 2% across-the-board benefit increase for 10 years, improves the annual Cost-of-Living Adjustment (COLA) to reflect seniors' true costs, repeals the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO) that currently penalize many public servants, and also provides the Social Security Administration with desperately needed resources to boost customer service.

S. 1174 and H.R. 4535: The Medicare and Social Security Fair Share Act

Sen. Sheldon Whitehouse (D-RI) and Rep. Brendan Boyle (D-PA) introduced legislation that will extend the solvency of Social Security indefinitely. In addition, the bill will extend Medicare by 20 years while at the same time augment fairness in the tax system by increasing the share that taxpayers earning over $400,000 in income contribute (regardless of the source of their income, since the tax applies to wages, self-employment, and investment income). The bill also requires that taxpayers with incomes above $400,000 contribute more to Medicare, while closing a legal loophole that favors high earners.

H.R. 82 and S. 597: The Social Security Fairness Act

This bill, introduced by Rep. Abigail Spanberger (D-VA) and Rep. Garret Graves (R-LA), and by Sen. Sherrod Brown (D-OH), repeals the GPO and the WEP.

The WEP affects nearly two million public sector retirees with public pensions, while the GPO reduces by two-thirds the spousal or survivor benefits of nearly 800,000 retirees who collect a public pension. These are outdated provisions that deprive educators and other public employees of the benefits they have earned and the secure retirement they deserve. Moreover, eliminating the WEP and GPO would also serve as a tremendous financial boost not only to seniors but for the United States' economy overall, given that seniors support tens of millions of jobs and contribute trillions of dollars annually to the nation's economy.

S. 1211 and H.R. 3729: The Social Security Caregivers Credit Act

Sen. Chris Murphy (D-CT) and Rep. Brad Schneider (D-IL) introduced legislation that allows caregivers to receive a Social Security credit and provides retirement compensation in the form of credits to individuals who left the workforce to care for loved ones. The credit in the legislation is added to an individual's earnings to calculate their future Social Security benefits. To qualify, caregivers must provide care for a minimum of 80 hours per month to a loved one who cannot perform daily activities without assistance.

H.R. 671: The Social Security Enhancement and Protection Act

This legislation, introduced by Rep. Gwen Moore (D-WI), improves Social Security's ability to protect Americans living in poverty. It eliminates the cap on Social Security payroll taxes and increases the program's special minimum benefit to better support those who earned low wages throughout their career. It also allows a parent providing unpaid care to a young child to earn credits toward their eventual Social Security benefits.

Additionally, the legislation reinstates benefits for students up to age 26 who are children of retired, deceased, or disabled workers, and increases benefits for all beneficiaries 20 years after retirement.

H.R. 3261: The Strengthening Social Security Act

This legislation, introduced by Rep. Linda Sanchez (D-CA), will increase benefits, ensure the Cost-of-Living (COLA) adequately reflects the real cost of living today, and improve the Social Security Trust Fund's finances. Moreover, the bill increases monthly benefits for current and future retirees and replaces the Consumer Price Index for Wage Earners (CPI-W) with the Consumer Price Index for the Elderly (CPI-E) for the purpose of calculating COLA's. It also phases out the taxable cap of $160,200, while increasing widow/ers benefits to the greater of 75% of combined benefits, or the Primary Insurance Amount.

H.R. 814: The Protect Social Security and Medicare Act

This legislation, introduced by Rep. Mark Pocan (D-WI), raises the vote threshold and requires a two-thirds supermajority vote to pass any legislation that would reduce benefits in either the Social Security or Medicare programs.

The Safeguarding American Families and Expanding (SAFE) Social Security Act

Senator Brian Schatz (D-HI) has announced his intention to introduce the SAFE Social Security Act, a bill which increases Social Security benefits by $125 per month across the board. The legislation will also update the annual Cost of Living Adjustment (COLA) to better reflect the real costs that seniors face through the use of the Consumer Price Index for the Elderly (CPI-E). Additionally, the bill will reward caregiving by providing a credit toward future Social Security payments, while also ensuring that any increase in benefits would not harm an individual's eligibility or cause a reduction in their Supplemental Security Income (SSI), Medicaid or Children's Health Insurance Program (CHIP) benefits.