



The Inflation Reduction Act: Evaluating Impact on Medicare Drug Pricing, Innovation, and Access to Therapies

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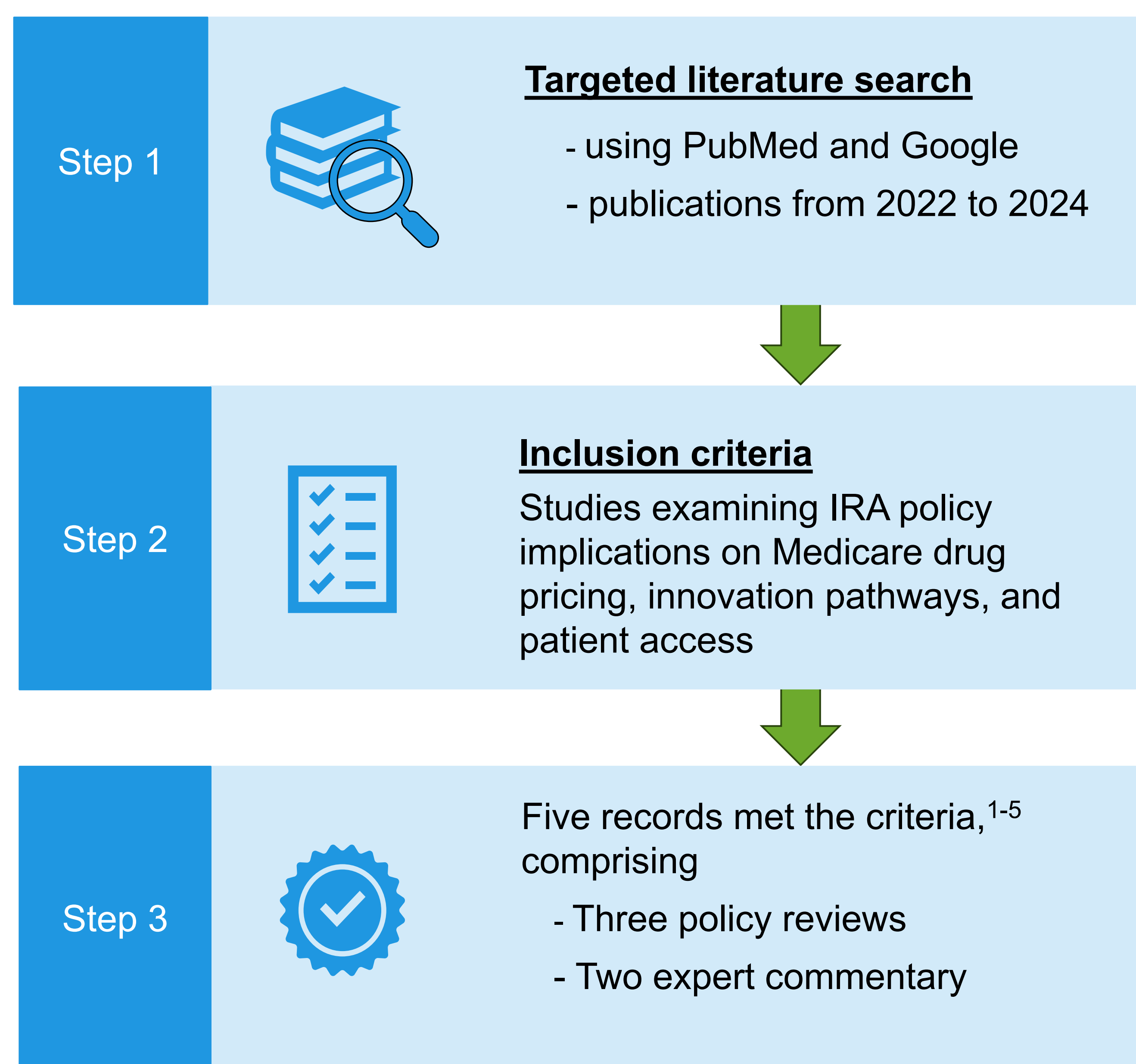
Background

- ▶ The Inflation Reduction Act (IRA), signed into law in 2022, marks a pivotal transformation in Medicare drug pricing policy.
- ▶ Key provisions include Medicare's authority to negotiate prices for select high-cost drugs and the implementation of out-of-pocket caps for beneficiaries.
- ▶ These reforms aim to enhance affordability while striving to maintain incentives for pharmaceutical innovation and broad access to therapies.¹
- ▶ The policy reflects a growing federal effort to control drug costs without compromising access or market-driven innovation dynamics.²

Objective

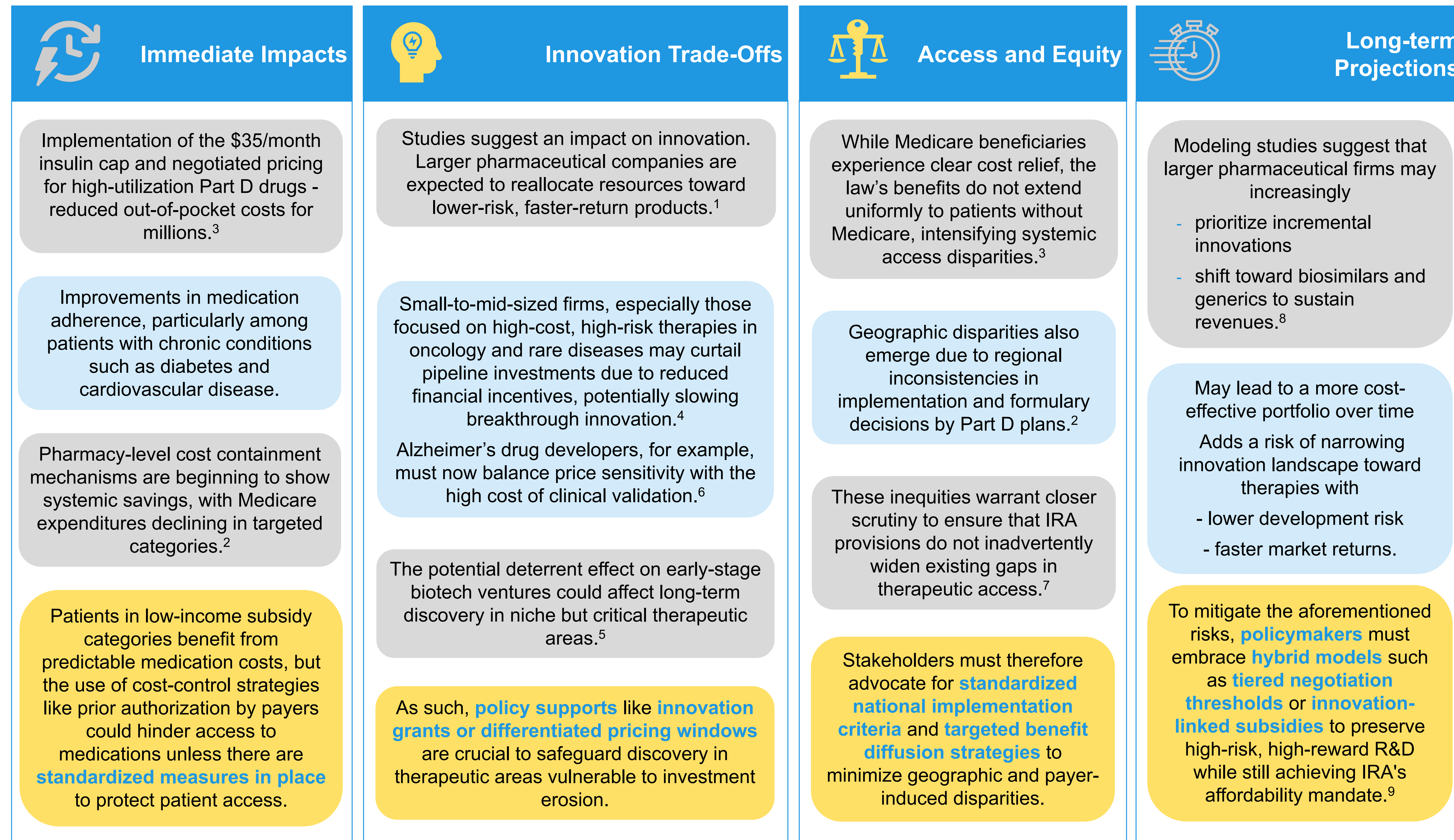
- ▶ This review investigates the short-term and projected long-term impacts of the IRA on three central domains:
 - Medicare drug pricing and patient affordability,
 - Biopharmaceutical innovation dynamics, and
 - Access to groundbreaking therapies

Methods



Results

Figure 1: Descriptive analysis of immediate and long-term impacts of IRA



Conclusions

- ▶ The IRA delivers immediate economic relief for Medicare patients and signals a shift in national health cost containment strategy. Nonetheless, its enduring success hinges on safeguarding innovation incentives and closing access gaps.
- ▶ Future policy recalibrations must be data-driven and stakeholder-inclusive to ensure innovation vitality and patient-centered equity are maintained.

Acknowledgments

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