**2HNW2209HERNANDEZ.mp3**

[00:00:14] **Speaker 1** Ten lifesaving prescription drugs. Could we start that again, please? Sorry. Ten life saving prescription drugs could soon cost less for anyone enrolled in Medicare Part D. That's roughly 1.1 million Wisconsinites. The first ten drugs announced treat blood clots, diabetes and heart failure, chronic kidney disease, blood cancers and more. Additional drugs to be negotiated are expected. The action stems from part of the Inflation Reduction Act, which will allow the federal government to negotiate prices with manufacturers for the first time. Medicare currently spends $135 billion on prescription drugs annually. The savings will allow it to shore up finances, according to the AARP, and eventually lead to lower Part D premiums. For more, we're joined by AARP, Wisconsin director of advocacy Martin Hernandez. And thanks very much for being here.

[00:01:17] **Speaker 2** Thank you for having me.

[00:01:18] **Speaker 1** So how meaningful is it that the federal government for the first time will be able to negotiate these drug prices?

[00:01:25] **Speaker 2** We know that, you know, Americans have some of, if not the highest drug prices in the world. And so being able to negotiate for these first ten drugs is is a historic first step in really for all Americans, but especially older Americans who we already know are on a fixed income in many cases. And a lot of times they're the ones who are taking the majority of these prescription drugs.

[00:01:50] **Speaker 1** How much could this help lower out-of-pocket costs for these seniors?

[00:01:55] **Speaker 2** So we're looking at a potential reduction of, you know, in the millions of dollars overall when we look at the total savings, not just for these ten drugs, but then additional ones that will get added on to this plan in the future.

[00:02:09] **Speaker 1** Because these drugs are the kinds of drugs that many, many seniors take for things as we described, like blood clots and heart disease and that kind of thing. So they're they're they chose these drugs in particular.

[00:02:26] **Speaker 2** They reached out. There was a lot of public hearing sessions done to in order to determine which are the ten drugs that were going to be included on this first batch. And they will continue happening as they add more and more drugs. There will be 15 more added in 2027, hopefully with another 20 added to the negotiation by 2029, getting us up to potential 60 drugs covered by this negotiation process.

[00:02:52] **Speaker 1** Because the White House fact sheet on this said that for enrollees without additional financial assistance, average annual out-of-pocket costs for these drugs were as high as nearly 60 $500 per enrollee last year. What happens to people who simply cannot afford that?

[00:03:11] **Speaker 2** Well, the unfortunate circumstance that happens is many seniors either will go without their prescription or they will ration it out, or they might take half of a pill when they should be taking a full dose for that day. And obviously, we know that that has many detrimental effects to their health.

[00:03:27] **Speaker 1** It seems counterintuitive that seniors, many of them on fixed incomes, have to pay that kind of money for prescription drugs. What has been the reaction from your members to this?

[00:03:41] **Speaker 2** I think this is was an exciting first step. Many of them know exactly how much of an effect this will have on their pocketbook. And they're excited to continue the fight to bring more, more and more drugs into the price negotiated scale.

[00:03:56] **Speaker 1** So the negotiated prices don't just help consumers on prescriptions. It represents savings for the Medicare program itself. Could that lead to lower premiums?

[00:04:07] **Speaker 2** That's the hope, is that as we bring the cost of Medicare down, that it leads to lower costs overall in all sectors of the health care field.

[00:04:17] **Speaker 1** Given that the number of the demographics are such that the older population is growing and there's always discussion about Medicare and Social Security, if the negotiated drug prices kind of shore up Medicare, would you imagine that they would actually lower the premiums or would they just kind of use it to maintain the the Medicare program itself?

[00:04:45] **Speaker 2** I think that's going to be the next big conversation we have. And that's that's the work that we're doing, is getting folks active in their political process so that when that decision comes, we we can have an active voice at the table.

[00:04:59] **Speaker 1** You know, it has always struck me that a lot of people think that seniors on fixed incomes, they don't have to pay for Medicare and they don't have to pay for their prescription drugs. But actually, those premiums are quite high, given many seniors incomes. Well.

[00:05:17] **Speaker 2** No, especially one of the drugs that was announced as part of the program, Januvia, which is used to treat diabetes, the price. That prescription has gone up by 275% since it was introduced in 2006. And we actually have 11,000 Wisconsinites on Medicare who take that drug. So having that price come down, any amount is going to make a big impact for those 11,000 Wisconsin residents.

[00:05:42] **Speaker 1** Absolutely. And yet people should not expect this to go into effect until 2026.

[00:05:50] **Speaker 2** 2026, as is the goal for getting this implemented. There are, unfortunately, lawsuits by the drug manufacturers. Our hope is that it doesn't delay the implementation. It's been long coming this this relief for for all Americans, especially older Americans. And our hope is that come 2026, we can start rolling out the plan and then adding additional drugs.

[00:06:13] **Speaker 1** So there are there are lawsuits on the part of drug makers over these, you know, negotiating these prices. But couldn't the federal government say, well, fine, you don't want to do this, then you are not going to have you know, you can't be part of the Medicare program.

[00:06:32] **Speaker 2** That is one option that they have. We're hoping that they that it doesn't have to come to that much of a of a head of the drug manufacturers can still make a healthy profit. That is that is our stance is that even with these negotiated prices, they can still make a healthy profit, innovate on new drugs while still providing again that lower cost for their consumers.

[00:06:56] **Speaker 1** It is true, too, that the cost of insulin has been capped. What is that like for your members?

[00:07:04] **Speaker 2** That was a big first step. Is capping insulin. Right now it's capped at $35 a month for folks who are on Medicare Part D. AARP is definitely supportive of expanding that to all Americans to allow everyone to have access to that $35 a month cap on insulin.

[00:07:20] **Speaker 1** Because what was it? What were people having to pay?

[00:07:24] **Speaker 2** They were paying upwards of three, four times the amount in order to access insulin.

[00:07:30] **Speaker 1** And obviously, that is a life saving drug.

[00:07:32] **Speaker 2** It's a life saving drug and one that you can't go without. I think for me, that's the most important part, as many of these prescriptions are the types that you go on and you have to stay on in order to maintain a healthy lifestyle. And so it's not something that someone can take and again, either take less or ration out their prescription.

[00:07:52] **Speaker 1** Martin Hernandez, thanks very much.

[00:07:53] **Speaker 2** Thank you.

[00:07:55] **Speaker 1** For more on this and other issues facing Wisconsin, visit our Web site at PBS, Wisconsin dot org and then click on the news tab. That's our program for tonight. I'm Fredricka Freiberg. Have a good weekend.