

How Does #BuildBackBetter Lower Health Costs for Californians?

The federal “Build Back Better” bill includes key health care improvements that could dramatically lower costs and improve access to care for all Californians. If passed, the bill will help millions of Californians whether in Medicare, Medi-Cal, Covered California, or in private plans. While Congressional negotiations continue, here are the health provisions of the bill the House of Representatives passed November 19th:

Lower Prescription Drug Prices

With 75% of California voters believing prescription drug prices are unreasonable, Build Back Better takes several steps to lower the costs of medicationⁱ:

- The bill allows Medicare, for the first time, to directly negotiate the price of some prescription drugs, starting in 2025 with a selection of ten off-patent drugs. 91% of California voters support this change.
- Starting in 2024, the over 5 million Californians with Medicare coverage would have their out-of-pocket prescription drug costs in Part D capped at \$2,000. Co-payments for insulin would be capped at \$35.
- Drug companies would not be allowed to increase their prices by more than inflation, both in Medicare and private plans, providing savings to premium payers starting in 2023.
- **Californians would save billions in prescription drug costs if Build Back Better is law.**ⁱⁱ

Extend Affordability Assistance for Coverage in Covered California

Build Back Better would extend unprecedented financial assistance to reduce monthly premiums for health plans in Covered California. Over 1.4 million enrollees get this help from the American Rescue Plan for 2021 and 2022, with over 700,000 lower-income enrollees now paying just \$1 per month for health coverage. Middle-income Californians making more than \$76K per year are receiving new help, with everyone who buys individual insurance getting the guarantee that premiums would be capped at 8.5% of income—and less for lower-income families. **With Build Back Better, Californians will continue to receive \$1.4 billion in annual federal help through 2025, saving California families an average of \$1,000 per person annually.**ⁱⁱⁱ

Cover Hearing Aids in Medicare

Seniors would finally be covered for hearing aids which many do not get as they can cost thousands of dollars. **Over six million Californians have Medicare coverage and would get hearing aids covered through the Build Back Better Act.**^{iv}

Invest in Medi-Cal

While the greatest impact would be in states that have not taken up options to expand Medicaid, Build Back Better makes investments in Medicaid, such as in prenatal and post-partum care for mothers and children, and home and community-based services, that will benefit many of the 13.9 million Californians in Medi-Cal.^v

ⁱ [Data for Progress, August 2021](#)

ⁱⁱ [Families USA What's at Stake report](#)

ⁱⁱⁱ [Covered California June 2021 Active Member Profiles](#)

^{iv} [CMS Medicare Monthly Enrollment Dashboard](#)

^v [DHCS Monthly Medi-Cal Statewide Enrollment, June 2021](#)