

# Significant Drug Pricing Reform Measures in the Inflation Reduction Act of 2022



On August 16, President Biden signed the Inflation Reduction Act of 2022 into law,<sup>[\[1\]](#)</sup> which includes some of the most significant drug pricing-related changes since the passage of the Medicare Prescription Drug Improvement and Modernization Act of 2003.

The healthcare-related portions of the law introduce many important changes, most notably allowing the Medicare program to negotiate with pharmaceutical companies for reduced prescription drug prices under Medicare Part B and Medicare Part D (commonly known as the Prescription Drug Benefit for America's senior population) for certain single-source drugs, or rather those drugs and biologicals without generic or biosimilar competitors. The law will also require drug makers to pay the government a rebate for any drug whose price increases faster than the pace of inflation. It also modifies several aspects of the Part D benefit to cap Medicare beneficiaries' out-of-pocket costs.

[Heath Ingram](#), [Matt Wetzel](#) and [Roger Cohen](#) provide a high-level summary of these provisions and other important considerations in this [client alert](#).