



## **The Bipartisan *Seniors Securing Access to Vital and Essential (SAVE) Prescription Drugs Act***

*Sponsored by Rep. Susie Lee (D-NV) and Rep. Brian Fitzpatrick (R-PA)*

### **The need:**

- Across the country, Americans are still struggling to afford their essential prescription drugs and costs continue to rise.
- Seniors and individuals with disabilities in particular – who are typically covered by Medicare – often need multiple medications while also living on a fixed income.
  - 1 in 4 seniors report it is **“difficult” to afford their prescription drugs.**<sup>i</sup>
- While seniors have access to prescription drug coverage through Medicare Part D, 76% of seniors still say they **pay unreasonable costs for their prescription drugs.**
  - This viewpoint is consistent among both Republicans and Democrats.<sup>ii</sup>
- 3 in 10 seniors report **not taking their medicines** as prescribed because of the cost.
  - Among those, many report taking an over-the-counter drug, cutting doses or skipping their medication altogether.<sup>iii</sup>
- Drug **prices have been increasing faster than inflation** for the last decade, making it increasingly difficult for seniors to afford their needed medications.<sup>iv</sup>

### **What is the Medicare Part D “Extra Help” program?**

- Anyone who has Medicare can get prescription drug coverage via a Medicare Part D plan. Some low-income individuals may also be eligible for the Low-Income Subsidy (LIS) program – called “Extra Help” – to help cover their Part D premiums, deductibles, and prescription copayments.
- To be eligible for “Extra Help,” applicants must meet income and asset limits. In 2021, married couples must have incomes below \$27,465 and assets below \$33,240.<sup>v</sup>
- Currently, these limits penalize seniors who have responsibly saved through retirement accounts like 401(k)s or IRAs by classifying retirement savings as income or assets for purposes of determining “Extra Help” eligibility.<sup>vi</sup>

### **What this bill does:**

- This bill would help seniors and individuals with disabilities **afford their prescription drugs** and **incentivize responsible savings** by excluding covered retirement accounts from “Extra Help” eligibility determinations.
- This would **allow more seniors to qualify for the prescription drug assistance they need without being penalized** for doing the right thing by saving for retirement.

- Covered retirement accounts would include defined contribution plans, such as 401(k) plans, IRAs, governmental 457(b) plans, and 403(b) plans.

### **Impact on Nevada Seniors:**

- Over half a million Nevadans are enrolled in Medicare.<sup>vii</sup>
- Over 70% of Nevada's Medicare beneficiaries – or over 300,000 Nevadans – receive their prescription drug coverage through Medicare Part D.<sup>viii</sup>
- An estimated 25% of Nevada's Medicare beneficiaries have incomes below 175% of the Federal Poverty Line, **yet less than 10% of Nevada's Medicare beneficiaries are eligible for the Extra Help** prescription drug assistance program.<sup>ix,x</sup>

### **Support for the Seniors SAVE Prescription Drugs Act:**

"The SAVE Prescription Drugs Act importantly increases the ability for low-income Medicare Part D enrollees to afford their medications that is critical to adherence and health."

- *Amy Niles, Chief Advocacy and Engagement Officer of The Patient Access Network Foundation*

"The National Council on Aging (NCOA) is grateful to Rep. Lee for her leadership in making prescription drug costs more affordable for lower income older Americans and is pleased to support the bipartisan Seniors SAVE on Prescription Drugs Act. The legislation, which passed the House in 2019, would eliminate current perverse incentives that discourage workers from saving for retirement, as well as removing barriers to receiving needed help to pay for prescription drugs under Medicare. The current practice of counting disbursements from retirement accounts as income for purposes of determining eligibility for assistance with prescription drug costs unfairly penalizes working families for attempting to do the right thing by creating a nest egg of retirement savings."

- *Ramsey Alwin, President and CEO of the National Council on Aging*

"With the Inflation Reduction Act, 390,000 Nevadans with Medicare Part D will see out-of-pocket pharmacy costs capped at \$2,000 per year, starting in 2024. This means, about 22,000 Nevada Medicare beneficiaries who rely on insulin will have their monthly costs capped at \$35 a month. Just as President Biden said, we aren't done just yet and that's why he called on Congress to take more bold actions to make healthcare affordable for all Americans. We are proud to see that Representatives Susie Lee and Brian Fitzpatrick answered the call by putting forward the SAVE Prescription Drugs Act, a critical bipartisan legislation, that addresses the treatment of eligible retirement plans and cost-sharing subsidies under Medicare Part D. This bill will provide much-needed clarity and consistency regarding the treatment of eligible retirement plans and begins to eliminate confusion and uncertainty for patients and healthcare providers while also working to ensure that all Americans have access to the cost-sharing subsidies they need to access necessary healthcare services. Thank you, Representatives Lee and Fitzpatrick, for your efforts to provide a clear framework of retirement plans and ensuring that patients are able to make informed decisions about their healthcare coverage. We look forward to when this critical bill passes both Houses and is signed into law by President Biden."

- *Annette Magnus, Executive Director of Battle Born Progress*

"The Inflation Reduction Act enacted by the 117th Congress and signed into law by President Biden represents a huge step in reducing seniors' prescription drug costs. But there is something else that Congress can do make drugs more affordable. Many seniors cannot qualify for assistance for Medicare's Extra Help program simply because they have roughly \$15,000 in retirement savings. Rep. Lee's Seniors SAVE on Prescription Drugs Act corrects this fundamental flaw. Under her legislation, most regular retirement savings would no longer disqualify low-income seniors from receiving help with prescription drug costs. This bill would reward – not punish – seniors for putting aside money for retirement while helping them afford the life-sustaining medications they need."

- *Max Richtman, President and CEO of the National Committee to Preserve Social Security and Medicare*

## Endorsements:

- Patient Access Network Foundation
- National Council on Aging
- Medicare Rights Center
- Battle Born Progress
- National Committee to Preserve Social Security and Medicare
- Alliance for Retired Americans
- Justice In Aging

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<sup>i</sup> <https://www.kff.org/health-reform/issue-brief/data-note-prescription-drugs-and-older-adults/>

<sup>ii</sup> <https://www.kff.org/health-reform/issue-brief/data-note-prescription-drugs-and-older-adults/>

<sup>iii</sup> [Public Opinion on Prescription Drugs and Their Prices | KFF](#)

<sup>iv</sup> <https://www.aarp.org/ppi/info-2019/trends-in-retail-prices-of-drugs.html?INTCMP=RDRCT-PPI-HEALTH-040919>

<sup>v</sup> [Understanding the Extra Help With Your Medicare Prescription Drug Plan \(ssa.gov\)](#)

<sup>vi</sup> <https://www.ssa.gov/policy/docs/policybriefs/pb2006-01.html>

<sup>vii</sup> [Monthly Enrollment by State 2023 01 | CMS](#)

<sup>viii</sup> [MDCR ENROLL D 3. Medicare Part D Enrollment: Part D Enrollees by Type of Plan, Low Income Subsidy \(LIS\), and Retiree Drug Subsidy, by Area of Residence, Calendar Year 2021](#)

<sup>ix</sup> [Table HI-13 ACS. Total Number of Medicare Beneficiaries by State and Selected Income to Poverty Ratio: 2019 Income Reference Year](#)

<sup>x</sup> [MDCR ENROLL D 3. Medicare Part D Enrollment: Part D Enrollees by Type of Plan, Low Income Subsidy \(LIS\), and Retiree Drug Subsidy, by Area of Residence, Calendar Year 2021](#)