



THE COMMITTEE ON WAYS AND MEANS

Committee on Ways and Means Provisions in the *Build Back Better Act*

Improving Health Care Quality and Affordability

[Closing the Medicaid Coverage Gap \(Also Reported by Energy and Commerce\)](#)

The *Build Back Better Act* would provide access to affordable coverage in the Affordable Care Act (ACA) Marketplaces beginning next year through 2025 to roughly 4 million uninsured Americans who live in states that have not expanded Medicaid coverage under the ACA.

- Due to the very low incomes of these individuals, they will qualify for coverage with \$0 premiums. *(These provisions are within the Ways and Means Committee jurisdiction)*
- The bill also provides enhanced cost sharing assistance for these individuals to ensure out of pocket costs are not a barrier to care. *(This provision is within the Energy and Commerce Committee jurisdiction).*

[Improving Affordability and Reducing Premium Costs](#)

- The *Build Back Better Act* extends through 2025 the enhanced premium subsidies in the ACA Marketplace that were included in the American Rescue Plan. These enhanced subsidies have made health insurance in the Marketplace considerably more affordable. In 2021, Americans purchasing their coverage in the Marketplace have seen their premiums decrease an average of \$67 per month, which adds up to more than \$800 each year. Indeed, 48 percent of new consumers are now paying a monthly premium of \$10 or less. Additionally, the median deductible for new consumers has fallen by over 90 percent, from \$750 to \$50.
- The *Build Back Better Act* makes enhanced ACA subsidies available through 2022 for recipients of unemployment compensation, extending protections provided for those losing their jobs included in the American Rescue Plan. The Congressional Budget Office found that this provision would help 500,000 people newly enroll and receive a premium tax credit. Most of those people would have otherwise been uninsured.
- The *Build Back Better Act* helps workers obtain more affordable health coverage through the ACA Marketplaces. Revises the threshold that determines whether someone has access to affordable insurance for purposes of premium tax credit eligibility through 2025, helping consumers get subsidized Marketplace coverage if they have an offer of employer-sponsored coverage costing 8.5 percent of income or more.
- The *Build Back Better Act* protects recipients of Social Security benefit lump-sum payments from an unexpected tax burden and makes ACA Marketplace coverage more affordable for certain families with children who have part-time jobs or are enrolled in job training programs.



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[Adding Hearing Coverage Under the Medicare Program \(Also Reported by Energy and Commerce\)](#)

The *Build Back Better Act* makes vital investments in seniors and people with disabilities by expanding Medicare to include coverage for hearing services and hearing aids.

- Beginning January 1, 2023, this provision expands access to services provided by audiologists and licensed hearing aid professionals. It also provides coverage of hearing aids under Medicare Part B for individuals with moderately severe, severe, or profound hearing loss in one or both ears, once every five years.
- Alongside the Biden Administration's recent release of the Food and Drug Administration's over-the-counter hearing aid rule, this provision ensures that all Americans who need hearing aids will be able to access them. The average cost of hearing aids is \$4,700 – making this a vital investment for in the health of millions of beneficiaries who previously had to pay for these expensive devices out-of-pocket.

[Giving the Health and Human Services \(HHS\) Secretary the Power to Negotiate Lower Drug Prices, Reducing Costs for Millions of Americans](#)

The *Build Back Better Act* empowers the HHS Secretary to negotiate drug prices directly with drug companies for high-priced drugs without competition with negotiated prices nine years for small molecule and 12 years for biologics.

- Under the bill, the Secretary would negotiate the prices of up to 10 drugs for plan year 2025, which then ramps up to 20 drugs by plan year 2028 and each plan year thereafter.
- The Secretary would collect important information for drugs selected for negotiation, such as R&D costs, prior federal financial support, extent to which the drug addresses an unmet need, and more. The Secretary uses this information to engage in a back-and-forth negotiation with a manufacturer to arrive at an agreed-to fair price. The Secretary is explicitly directed to consider the innovation that a selected drug represents.
- Depending on how long the drug has been on the market, the Secretary will achieve at least a 25-60 percent reduction on a drug's price.
- The bill would limit the scope of negotiations for small biotechnology companies.
- The bill ensures that any negotiated drug is covered for Medicare beneficiaries.

[Requiring Drug Companies to Pay Rebates If Drug Prices Increase Faster than Inflation, Also Lowering Costs for Millions of Americans](#)

The bill prevents drug companies from unfairly increasing their prices beyond inflation for Medicare beneficiaries and those with private insurance. In the case a manufacturer increases their price beyond inflation, they will have to pay a rebate back to the federal government, repaying the excess amount above inflation.

- Under the bill, the inflation rebates are calculated with the cost of the drugs millions of Americans with Medicare Part B and Medicare Part D drug coverage, but also those with private insurance.



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[Capping Out-of-Pocket Costs on Drug Spending in Medicare and Reforming the Medicare Part D Benefit](#)

This bill creates a new, out-of-pocket cap in Medicare on prescription drug costs at \$2,000, adding an important protection for Medicare beneficiaries and lowering beneficiaries' cost sharing in the initial coverage phase.

- Under current law, Medicare Part D does not have an out-of-pocket maximum.
- In addition to the new out-of-pocket cap in Medicare on drug costs, the bill also lowers insulin prices so that Americans with diabetes don't pay more than \$35 per month for their insulin.
- Finally, the bill also reforms the Medicare Part D benefit design to bring down seniors' costs. It increases the liability of drug manufacturers to provide downward pressure on prices and also increases the liability of private insurance plans to incentivize insurers to better manage costs.

[Skilled Nursing Facilities](#)

The *Build Back Better Act* invests in the foundation of nursing home care, filling much-needed gaps in transparency, quality of care, and staffing to ensure nursing homes are better prepared to face future public health emergencies. Specifically, the *Build Back Better Act*:

- Invests in nursing home staffing to improve quality and safety issues in nursing homes.
- Improves nursing home quality and cost data to ensure patients and families have access to accurate quality data.
- Invests in nursing home survey and enforcement process to improve patient safety.

[Elder Justice Programs](#)

The *Build Back Better Act* makes key investments to fund vital elder justice programs that help protect America's seniors and people living with disabilities by investing in existing Elder Justice Act programs. It provides increased support for state and local Adult Protective Services offices and long-term care ombudsman programs to better detect and prevent elder abuse, neglect, and exploitation.

- It also creates and invests in three new programs that address:
 - training and retention of the long-term care workforce;
 - social isolation; and
 - linkages between social support services, health services, and legal services to address more effectively social determinants of health in vulnerable communities.