Aug. 19, 2022: Advocacy Update spotlight on the Inflation Reduction Act

Bill addresses 3 major health issues, but not Medicare pay reform

President Joe Biden has signed into law the Inflation Reduction Act, which takes action on climate change, follows AMA policy on extending premium tax credits for Affordable Care Act (ACA) marketplace insurance plans and takes steps to slow the growth of drug prices. Unfortunately, it does nothing to address Medicare physician payment reform or to halt payment cuts set to take effect next year.

The bill moves forward three issues the AMA has been advocating for:

- **Extending ACA premium tax credits**: The bill extends by three years the enhanced and expanded ACA premium tax credit, which the AMA supports. It is an advanceable and refundable credit that 13 million Americans have used to help them purchase health insurance through state and federal exchanges.

- **Controlling rising drug costs**: The bill calls for allowing Medicare to negotiate its purchasing prices, capping the growth of drug prices at the rate of inflation; and repealing a drug rebate rule issued by the Trump administration.

- **Fighting climate change**: The bill calls for investing $369 billion in energy security and climate change mitigation in the next decade to lower carbon emissions 40% from 2005 levels.

Meanwhile, the AMA continues to urge Congress to stop the Medicare physician payment cuts scheduled for Jan. 1, and to reform the Medicare payment systems so that the same message won’t have to be repeated year after year.

For more information, read the full story from AMA Senior News Writer Andis Robeznieks.

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