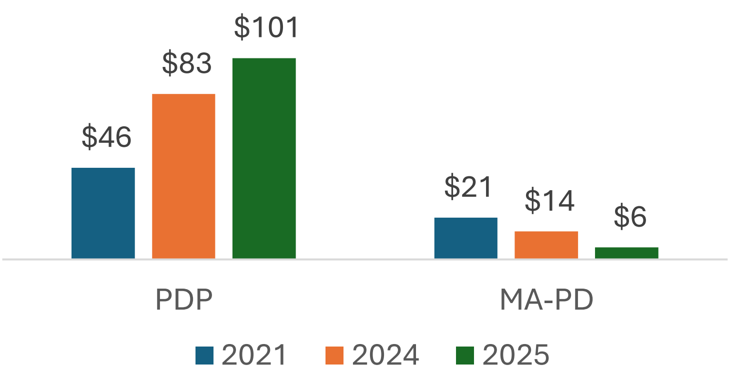
California

Medicare drug plans and premiums under the IRA

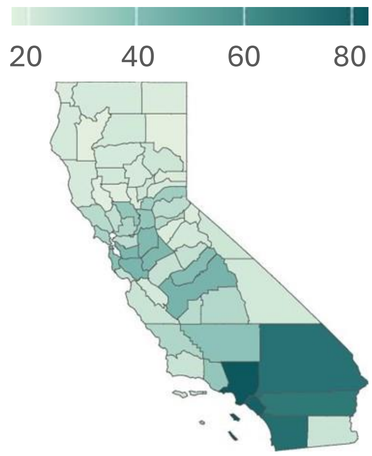
Since the Inflation Reduction Act (IRA) took effect, Medicare Part D drug program premiums have risen and beneficiaries have had fewer plans to choose from. Despite being historically favored by beneficiaries, the future of the Part D program may be at risk as standalone Medicare Part D plans (PDPs) leave the market – a trend which has recently accelerated possibly due to financial pressures imposed by the IRA. The number of Medicare Advantage Prescription Drug plans (MA-PDs) has increased as PDPs have exited; however, those (MA-PD) plans aren't consistently available statewide. With fewer drug plans offered, it can be challenging for patients to find Part D plans that are affordable and cover their medicines, particularly in rural areas.

- PDP premiums in the state are $55 higher per month in 2025 compared to 2021.
- While MA-PD premiums have declined by $15 per month, these plans are not available in many rural or low-income counties.
- There are 16 fewer Medicare PDPs in the state in 2025 compared to 2021.
- In 2025, there are 17 fewer Medicare plans to choose from in rural counties relative to urban counties because of the loss of PDPs and lack of access to MA-PDs.

Part D monthly premiums in California, pre- and post-IRA



Number of plans available per county 2025



California's 2025 PDP premium compared to other US states