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funding to the IRS.

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*By Jennifer Haberkorn, Los Angeles Times (TNS)*

Senate Democrats on Sunday passed a sweeping health care, tax and climate change bill that will allow Medicare to negotiate prescription drug costs—a significant political win as the party tries to send a message before the midterm election that it is delivering on its promises.

The drug price plan is the centerpiece of the Democrats' bill, the Inflation Reduction

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expected Friday.

Before passage, senators slogged through dozens of unsuccessful votes on amendments put forward mainly by Republicans to try to stop the bill or at least make it politically difficult for Democrats.

Republicans succeeded in killing one provision that violated Senate budget rules. It would have capped the price of insulin at \$35 a month in the private insurance market.

President Joe Biden and congressional Democrats sorely need the legislative victory as they head toward the midterm elections, which traditionally favor the party out of power.

The package comes at the end of a remarkably productive sprint for the closely divided Senate. In recent weeks, the chamber has voted for a bipartisan gun bill, a boost for semiconductor manufacturing and aid for veterans exposed to toxic burn pits.

The Medicare drug negotiation policy—which Democrats have been pushing for nearly two decades—would mark a significant accomplishment that is likely to be popular with voters who are eager to go after drugmakers.

It amounts to the most substantial change in health care policy since the Affordable Care Act was passed in 2010. But it will initially have a limited impact on the pocketbooks of the nearly 64 million seniors in Medicare.

Negotiations between Medicare and drugmakers wouldn't start until 2026, and would at first be limited to 10 drugs, adding more over time.

Sen. Bernie Sanders, I-Vt., a longtime proponent of Medicare price negotiations,

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Likely targets for negotiations include Enbry, an anti-inflammation medication used by well over 2 million Medicare beneficiaries; the diabetes drug Januvia, the prostate cancer drug Xtandi; and the rheumatoid arthritis drug Orencia, according to industry players who are tracking the legislation. That list could change if pricier drugs enter the market in the next four years.

Chris Condeluci, founder of CC Law & Policy and a former staff member for Senate Finance Committee Republicans, predicted negotiations would not have a significant impact on the vast majority of Medicare beneficiaries, because most don't use the most expensive drugs and are therefore unlikely to see direct savings.

"Unless your premiums go down, it doesn't matter if Medicare is spending less" overall, he said.

But the bill would also cap Medicare beneficiaries' out-of-pocket drug expenses at \$2,000 per year, a policy that could help the approximately 1.4 million enrollees who hit that amount each year, according to the Kaiser Family Foundation.

Drugmakers generally like the out-of-pocket cap because the federal government will pick up the tab after patients spend the maximum.

The measure would also impose a cap on drugmakers' price increases, though Democrats had to scale back the inflationary cap on Saturday when the nonpartisan Senate parliamentarian ruled that it didn't adhere to Senate rules.

The inflationary cap isn't a huge hit for the pharmaceutical industry because "companies have been self-policing," said Ipsita Smolinski, a health policy adviser and managing director of Capitol Street, a research and consulting firm.

"They know they'd be on the front page of The Wall Street Journal or The New York Times if they obnoxiously price hike their products," she said.

But drug manufacturers have strongly fought negotiating their prices with Medicare.

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Drugmakers once had one of the most powerful lobbying groups in Washington, and still lead the pack in terms of spending to influence lawmakers. But their political power has waned in recent years amid high-profile price hikes, such as former Turing Pharmaceuticals Chief Executive Martin Shkreli's decision to raise the price of one older drug by 5000%.

The legislation is a fraction of what Democrats had originally hoped to enact—a \$3.5 trillion proposal that would have rewritten much of the nation's social safety net, including home health care, child care and universal pre-K programs. That effort ended when Sen. Joe Manchin III, D-W.Va., said in December he would not go along with such an ambitious plan.

But after secret negotiations between Manchin and Senate Majority Leader Charles E. Schumer, D-N.Y., they resurrected portions of the bill last month.

The bill also seeks to address climate change. In an attempt to reduce emissions, it offers incentives for consumers to buy energy-efficient appliances and cars, and for manufacturers to make such products. According to Democrats, the climate policies would reduce emissions by roughly 40% by 2030.

About \$9 billion would go to consumer home energy rebate programs. Lower- and middle-income people would be eligible for a \$4,000 tax credit for buying a used clean car and up to \$7,500 for buying a new one. Billions more would be spent to accelerate U.S. manufacturing of solar panels, electric vehicles and other clean products.

Finally, the bill would impose new taxes on wealthy corporations and their stock buyback programs—and would send new funding to the Internal Revenue Service, which the agency says it will use to crack down on wealthy tax cheats.

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