



Straight Talk for Seniors on Health Reform

If you're like millions of Americans, you're not sure how health reform will affect you, your family and friends, and our nation. The debate has been long, hard fought, and often confusing. It's difficult to know what information is unbiased and fair—and what is just political spin.

NCOA is a nonpartisan, nonprofit service and advocacy organization. We have a 40-year history of helping older adults understand complex programs such as Medicare and Medicaid. We advocated for the passage of Medicare in 1965 and for adding prescription drug coverage in 2003. We've spent years helping older adults understand how to access their benefits. When it comes to health reform, our goal is to give you the straight facts.

The facts presented here are from the new health reform law—the Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act. We encourage you to read these facts and share them widely with others.

5 Straight Facts on Health Reform

FACT # 1: The law will provide health coverage for millions of uninsured Americans—plus extra protections for most people who currently have insurance.

The law will provide desperately needed coverage for 32 million uninsured Americans. It will also guarantee that insurance companies cannot deny individuals coverage due to pre-existing conditions or drop them because they've become sick. Future health costs for millions of families will be reduced.

FACT # 2: The law will not cut any benefits provided under traditional Medicare—and it will even improve some benefits.

If you're enrolled in traditional Medicare, you will see improvements in your benefits—not cuts. You'll get:

- **More Help with Prescription Drug Costs:** If you're someone who falls into the Medicare prescription drug “doughnut hole” or coverage gap—the new law will help. It will gradually close the gap, so you'll no longer have a period where you have to pay 100% of your drug costs. In 2010, people who hit the gap will get a one-time \$250 payment. Beginning in 2011, people in the gap will be able to purchase brand-name drugs at half the current price. The law also improves the program that reduces drug costs for seniors with limited means and makes it easier for you to appeal coverage denials.
- **Better Chronic Care:** If you're like 80% of older Americans, you have at least one chronic medical condition such as heart disease, high blood pressure, or diabetes. You probably see several doctors who don't always work together and don't always listen to you. The new law will help. It funds community health teams that will provide the patient-centered care you want and need. If you're hospitalized, the law also will help you return home successfully—and avoid going back—by teaching you how to care for yourself and connecting you to services and supports in your community.
- **Better Preventive Care:** You'll receive a new, free annual wellness visit. And you'll no longer pay any out-of-pocket costs for preventive benefits under Medicare—such as cancer and diabetes screenings.

FACT # 3: The law will help you find and afford long-term care at home.

Every year, millions of older adults who have worked hard all their lives are forced to spend-down their life savings and go into expensive nursing homes—just because they can't find or afford care at home.

The new law helps address this dilemma. It will make it easier for individuals on Medicaid to get care in their own homes and communities. In addition, spouses of people on Medicaid home care will no longer be forced to spend-down into poverty before they get help.

For people who are still working, the law creates a new national insurance program called CLASS to help them pay for long-term care at home. Full- and part-time workers will pay into the program through voluntary payroll deductions. If they reach a point where they can't perform basic activities of daily living such as eating, dressing, or bathing, or if they have certain mental impairments such as Alzheimer's disease, they'll be eligible to receive an average of \$75 a day. They can use this cash benefit to pay for whatever non-medical services they need to stay at home—whether it's paying a family member for assistance, making home modifications, or getting transportation.

FACT # 4: The law will improve care for older Americans in other ways.

It will:

- Help prevent and combat elder abuse, neglect, and exploitation;
- Improve the workforce caring for seniors—and increase the number of primary care physicians;
- Improve nursing home quality; and
- Reduce health insurance premiums for Americans aged 55-65.

FACT # 5: The law will reduce Medicare spending growth—and it's fully paid for.

Over the next 10 years, Medicare spending will continue to grow, but at a slightly slower rate. The independent, nonpartisan Congressional Budget Office has stated that the new law is fully paid for—and even helps reduce the deficit by \$124 billion over 10 years. It will save Medicare about \$500 billion over 10 years and is expected to extend the solvency of the Medicare Trust Fund for an additional nine years.

Specifically, the new law will:

- **Slow the rate of payment increases to Medicare providers**, including hospitals, nursing homes, and home health agencies. Doctors will not be affected. Many providers—whose profits will increase with newly insured patients—have agreed to these new payments.
- **Reduce payments to Medicare Advantage (MA) plans.** About 75% of seniors are enrolled in traditional Medicare; the rest are enrolled in private MA insurance plans. Today, Medicare pays these plans over \$1,100 more per person than traditional Medicare. The new law will level the playing field by eliminating this overpayment. As a result, some MA plans may cut extra benefits like eyeglasses or hearing aids, increase premiums, or perhaps even drop out of the program. However, MA plans *will not* be allowed to cut any guaranteed benefits.
- **Reduce fraud and waste** to make Medicare more efficient.
- **Ask high-income beneficiaries to pay higher Medicare premiums.** The law will affect individuals with annual incomes above \$85,000 and couples with incomes above \$170,000.
- **Create a new Medicare Advisory Board** to recommend ways to reduce costs in the future.

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To learn more, visit www.ncoa.org.

Notes

The Kaiser Family Foundation offers a timeline of health reform implementation at <http://www.kff.org/healthreform/8060.cfm>.

FACT # 1

- Title I, Subtitle C, Sections 2705-2706 of the Patient Protection and Affordable Care Act

FACT # 2

More Help with Prescription Drug Costs

- Title I, Subtitle B, Section 1101 of the Health Care and Education Affordability Reconciliation Act

Better Chronic Care

- Title IV, Subtitle A, Sections 4001-4004 of the Patient Protection and Affordable Care Act

Better Preventive Care

- Title IV, Subtitle B, Sections 4104-4105 of the Patient Protection and Affordable Care Act

FACT # 3

- Title II, Subtitle E, Sections 2401, 2402, and 2404 of the Patient Protection and Affordable Care Act
- Title VIII, Section 8002 of the Patient Protection and Affordable Care Act

FACT # 4

- Title VI, Subtitle H, Sections 6701-6703 of the Patient Protection and Affordable Care Act
- Title V of the Patient Protection and Affordable Care Act
- Title VI, Subtitle B of the Patient Protection and Affordable Care Act
- Title I, Subtitle B, Section 1102 and Subtitle C, Section 2701 of the Patient Protection and Affordable Care Act

FACT # 5

The plan is fully paid for—and will even reduce the deficit

- Congressional Budget Office, www.cbo.gov/ftpdocs/113xx/doc11307/Reid_Letter_HR3590

Slow the rate of payment increases to Medicare providers

- Title III, Subtitle B, Sections 3101-3107, 3131-3138 of the Patient Protection and Affordable Care Act

Reduce payments to Medicare Advantage plans

- Title I, Subtitle B, Section 1102 of the Health Care and Education Affordability Reconciliation Act
- Title III, Subtitle C, Section 3201 of the Patient Protection and Affordable Care Act
- George Washington University Working Paper, http://www.gwumc.edu/sphhs/departments/healthpolicy/dhp_publications/pub_uploads/dhpPublication_8C515659-5056-9D20-3D3985C6A1BBC2A5.pdf

Reduce fraud and waste

- Title VI, Subtitles E, F, and G of the Patient Protection and Affordable Care Act
- Title I, Subtitle D of the Health Care and Education Affordability Reconciliation Act

Ask high-income beneficiaries to pay higher Medicare premiums

- Title III, Subtitle D, Section 3308 and Subtitle E, Section 3402 of the Patient Protection and Affordable Care Act

Create a new Medicare Advisory Board

- Title III, Subtitle E, Section 3403 of the Patient Protection and Affordable Care Act

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