



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 legislation that passed the House on March 21, including the reconciliation bill that the Senate will soon pass, and President Obama will sign into law. We encourage you to read these facts and share them widely with others.

5 Straight Facts on Health Reform

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

The plan 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 plan will not cut any benefits provided under traditional Medicare—and it will even improve some benefits.

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

- **More Help with Prescription Drug Costs:** If you're someone who falls into the Medicare prescription drug "doughnut hole" or coverage gap—this plan 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 the first year, the plan will provide a one-time \$250 payment to individuals who hit the gap. It will also improve the program that reduces drug costs for seniors with limited means and make 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. This plan will help. It funds community health teams that will provide the patient-centered care you want and need. If you're hospitalized, the plan 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 plan 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 plan 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 plan 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 plan 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 plan 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. Although the final numbers are not in, the independent, nonpartisan Congressional Budget Office is expected to find that the plan will be fully paid for—and even help reduce the deficit. 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, it 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 \$1,000 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 plan will affect individuals with annual incomes above \$85,000 and couples with incomes above \$170,000.
- **Create a new Payment Advisory Panel** 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 section-by-section analysis of the Senate health care reform bill, the President's proposal, and the House bill at: http://www.kff.org/healthreform/upload/housesenatebill_final.pdf.

FACT # 1

- Summary of the President's Proposal (Feb. 22, 2010), Page 1, www.healthreform.gov
- Title I, Subtitle C, Sections 2704-2705 of the Patient Protection and Affordable Care Act

FACT # 2

More Help with Prescription Drug Costs

- Summary of the President's Proposal (Feb. 22, 2010), Page 3, www.healthreform.gov
- Title III, Subtitle D, Sections 3302-3306 of the Patient Protection and Affordable Care Act
- Title III, Subtitle D, Section 3312 of the Patient Protection and Affordable Care Act

Better Chronic Care

- Title IV, Sections 4001-4004 of the Patient Protection and Affordable Care Act also Sections 3024, 3026

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 and 2402 of the Patient Protection and Affordable Care Act
- Title II, Subtitle E, Section 2404 of the Patient Protection and Affordable Care Act
- Title VIII of the President's Proposal (Feb. 22, 2010), www.healthreform.gov
- 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, Subtitles B and C, Sections 1102, 2701 of the Patient Protection and Affordable Care Act

FACT # 5

The plan will be fully paid for—and 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, Sections 3101-3107, 3131-3138 of the Patient Protection and Affordable Care Act

Reduce payments to Medicare Advantage plans

- Policies to Contain Costs and Ensure Fiscal Responsibility Section of the President's Proposal (Feb. 22, 2010), www.healthreform.gov

Reduce fraud and waste

- Title VI, Subtitles E, F, and G of the Patient Protection and Affordable Care Act
- Summary of the President's Proposal (Feb. 22, 2010), Pages 5-7, www.healthreform.gov

Ask high-income beneficiaries to pay higher Medicare premiums

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

Create a new Payment Advisory Panel

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