

*This message is from Ellen Pinnes and The Disability Coalition.*

## **Health Care Reform Information Series – Bulletin #5**

### How Health Care Reform Is Already Helping

#### Part V. Medicare – Better services, lower cost

**\*\* Improving prescription drug coverage** – The Affordable Care Act phases out the “doughnut hole” in Part D prescription drug coverage. In order to keep the cost of Part D down, Congress set up the program so that Medicare beneficiaries initially get help with the cost of their medications, but those with ongoing drug expenses hit a cap where they have to start paying the full cost of the prescriptions themselves until they reach a much higher level of spending, when the Part D coverage kicks in again. This means that people are hit with crushing costs for essential medications even though they have coverage.

The ACA gradually phases out the doughnut hole until it disappears entirely in 2020. This started with a \$250 rebate check sent to each person who fell into the coverage gap in 2010. In 2011, the law required a 50% discount on brand-name drugs while the person was in the doughnut hole, and that discount will keep increasing until the gap ends altogether in 2020.

**\*\* Improving coverage for preventive care** – Medicare recipients can now get an annual wellness visit with their doctor and a range of preventive services (such as immunizations and cancer screenings like mammograms and colonoscopies) without paying any out-of-pocket cost. And the law increases pay for primary care providers as a way of strengthening the primary care workforce and making it easier for people to get care sooner so their condition doesn’t worsen. This is part of the law’s focus on reorienting our health care system toward helping people stay as healthy as possible instead of waiting until they get sicker and need more expensive services.

**\*\* Eliminating overpayments to managed care companies** – The law reduces overpayments to Medicare Advantage health plans – the managed care part of Medicare. These plans were expected to provide services at a lower cost than the traditional Medicare program, but in fact they’ve been much more expensive. And those additional costs are paid by *all* Medicare beneficiaries, including those who aren’t enrolled in MA plans – and by taxpayers in general. The ACA moves to bring MA costs closer to the cost of traditional Medicare while improving quality in MA plans.

You might have heard that the ACA cuts Medicare, but it does NOT cut benefits for recipients, it just cuts overpayments to insurance companies.

**\*\* Improving the health care system** – The ACA’s goal is to improve Medicare so that it does a better job of meeting the needs of beneficiaries – and finds improvements that can be used to improve health care for everyone, not just Medicare recipients. The law calls for a number of pilot projects in Medicare that are aimed at finding ways to improve health care, promote good outcomes for beneficiaries, and use our health care dollars wisely. Successful results from those pilots will spread throughout the health care system, benefiting all consumers in addition to people on Medicare.

*Next: What’s coming in 2014 – Medicaid expansion*