



## National Council on Aging: Straight Talk for Seniors on Health Care Reform

If you're like millions of Americans, you're not sure how health care reform will affect you, your family and friends, and our nation. The debate has been long, hard fought, and often confusing. These are the facts surrounding the newly passed sweeping health care reform law.

### 5 STRAIGHT FACTS ON HEALTH CARE REFORM

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

The plan provides desperately needed coverage for over 30 million uninsured Americans. It also guarantees 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 does 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 “donut 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.**

Each 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 (6% per year, instead of 6.6%). According to the independent, nonpartisan Congressional Budget Office has found the overhaul is fully paid for—and even helps reduce the deficit. It will save Medicare about \$475 billion over 10 years and is expected to extend the solvency of the Medicare Trust Fund for an additional nine years.

Specifically, it will:

**Lower 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.

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**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 Payment Advisory Panel** to recommend ways to reduce costs in the future.

NCOA is a nonpartisan, nonprofit service and advocacy organization with a 40-year history of helping older adults understand complex programs such as Medicare, Medicaid, and now the new Health Care Reform Law. To learn more, visit [www.ncoa.org/public-policy](http://www.ncoa.org/public-policy).