PROTECTING AND STRENGTHENING MEDICARE

For more than 40 years, Medicare has offered critical health and financial stability for older citizens, people with disabilities, and those with end-stage renal disease, providing coverage for over 45 million Americans and over 2.2 million Pennsylvanians. If nothing was done, Medicare was projected to be insolvent by 2017. The health care reform legislation strengthens Medicare through improved treatment and outcomes for older citizens and extends the solvency of the program by nine years. The health reform legislation contains substantial payment and delivery system reforms that reward efficient delivery of quality care and change the incentives in today's health care system to encourage value instead of simply volume. It makes investments that will enable beneficiaries to continue to access high-quality, affordable care, while encouraging prevention and care coordination for those with chronic conditions. These efforts will help modernize the program and strengthen Medicare's financial health increasing program solvency by at least nine years, protecting both beneficiaries and taxpayers.

Primary and Coordinated Care

- Increases reimbursement for primary care services and encourages training of primary care physicians;
- Encourages more collaboration and accountability among providers via bundling of payments and advancing of Accountable Care Organizations (ACOs);
- Provides coverage with no co-payment or deductible for an annual wellness visit that includes a comprehensive health risk assessment and a 5-10 year personalized prevention plan.

Affordability and Quality of Care

- Provides a \$250 rebate for any Medicare Part D (prescription drug benefit) enrollee who enters the "donut hole" in 2010 and begins filling the donut hole in Part D in 2011 and closing the donut hole completely by 2020. Over 390,000 Pennsylvanians will benefit from this change.
- Drug manufacturers will provide 50 percent discounts on brand-name drugs in the donut hole to reduce costs beginning in 2011 and through the phase-out.
- Eliminates out-of-pocket expenses for preventive services in Medicare;
- Improves the low-income programs in Medicare by:
 - o Making sure low-income individuals have information about their Part D plans;
 - Eliminating cost sharing for certain individuals dually eligible for Medicare and Medicaid;
 - o Reducing "churning" of low-income Part D enrollees between drug plans each year.
- Enhances nursing home transparency and accountability requirements related to resident protection and quality of care;
- Begins value based purchasing for hospitals and starts other providers on the path toward value based purchasing, prioritizing quality over quantity.
- Creates a new Center for Medicare & Medicaid Innovation within CMS to allow for testing and expansion of promising payment models within those programs.