

MEMORANDUM

September 21, 2010

To: Reporters and Editors

From: Scott Mulhauser and Erin Shields for Senate Finance Committee Chairman Max Baucus (D-Mont.)

Re: Baucus applauds lower costs for seniors in Medicare Advantage plans

Senate Finance Committee Chairman Max Baucus (D-Mont.) today applauded news that 2011 costs for seniors enrolled in private Medicare plans will be lower as a result of the improvements made to the health care system in the Affordable Care Act. Baucus played a leading role in drafting the landmark health care law and ensuring it protects and benefits seniors in private and traditional Medicare plans. The Finance Committee has jurisdiction over the Medicare program. From Chairman Baucus:

“When insurance companies increase health care costs, it often hits seniors particularly hard because many live on fixed incomes. After years of increasing premiums, the new health reform law roots out wasteful overpayments to the private insurers who provide Medicare benefits to seniors. Despite scare tactics and false claims that eliminating waste would impair access to Medicare Advantage, it is clear that seniors will continue to have many private options available to them and will actually see some relief in their premiums next year – all at a more affordable cost to the Medicare program. The law already lowered out-of-pocket costs for seniors by filling in the Medicare Part D coverage gap, or ‘donut hole,’ and today we welcome the news that seniors will see lower annual premiums with the same – or better – benefits. These lower premiums are evidence of the law’s success in making the health system more efficient and passing savings along to consumers. Enrollment in Medicare Advantage plans is also expected to grow by five percent next year, so, despite claims to the contrary, the program continues to grow after health care reform. Medicare is one of our country’s most important programs – we need to protect it and today’s news is strong evidence that we certainly have.”

More Information on the Medicare Advantage plans from the Centers for Medicare and Medicaid Services (CMS):

- Medicare Advantage premiums will be 1 percent lower than today, on average, next year.
- Medicare Advantage plans project that enrollment will increase by 5 percent in 2011. And, consistent with the Affordable Care Act, beneficiaries, in most Medicare Advantage plans and traditional Medicare, will gain access to preventive benefits with no out-of-pocket costs.
- The majority of Medicare beneficiaries, on average, enrolled in Medicare health and prescription drug plans this year should find little or no change in their benefits in 2011, in addition to seeing more drug plans offering coverage in the prescription drug coverage gap or “donut hole.”
- More than 99 percent of Medicare beneficiaries who have access to a Medicare Advantage plan today will have access to a Medicare Advantage plan in 2011. All Medicare beneficiaries will continue to have many prescription drug plans from which to choose.

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