



## Health Reform for American Seniors

### Lower Costs for American Seniors

- ✓ **Fills in the Medicare “Donut Hole”**
  - Provides a \$250 rebate check to all seniors who hit the “donut hole” in 2010, provides a 50 percent discount on brand-name drugs and biologics purchased in the donut hole beginning in 2011, and fills the donut hole by 2020. More than 8 million seniors hit the “donut hole” in 2007.
- ✓ **Strengthens the Financial Health of Medicare**
  - Phases down excessive subsidies to private insurance companies that participate in Medicare Advantage to bring them more in line with costs in the original Medicare program, with bonus payments for high quality plans, to save Medicare more than \$130 billion over 10 years.
  - Invests in fighting waste, fraud and abuse. Reforms payments to reduce avoidable hospital readmissions and health care acquired infections.
  - Together these proposals will extend the financial health of Medicare by 10 years. Not a penny of Medicare savings or trust fund dollars will be used for health reform.
- ✓ **More Affordable Generic Drugs**
  - Creates a pathway for the approval of generic biologic drugs to improve affordability of medications for seniors and all Americans, helping to reduce the cost of some cutting edge drugs that are simply too expensive for many seniors.
- ✓ **Preventive Care for Better Health**
  - Eliminates deductibles, copayments, and other cost-sharing for preventive care, and provides free annual wellness check-ups. Today, seniors must pay 20 percent of the cost of many preventive services.
- ✓ **Affordable Long-Term Care**
  - Creates a voluntary long-term care insurance program, which will provide a cash benefit to help seniors and people with disabilities obtain services and supports that will enable them to remain in their homes and communities. This will assist the sixty-five percent of seniors who need long-term services at home, at an average cost of \$18,000 each year.

### Quality, Affordable Health Care for Seniors

- ✓ **Control Chronic Disease**
  - Invests in innovations such as medical homes and care coordination to improve health care quality and to better spend the more than 90 percent of Medicare dollars spent on treating chronic conditions.
  - Creates a temporary tax credit to encourage investments in new therapies to prevent, diagnose, and treat acute and chronic diseases.
- ✓ **Promote Better Care After a Hospital Discharge**
  - Links payments between hospitals and other care facilities to promote coordinated care after discharge from the hospital and encourage investments in hospital discharge planning and transitional care to ensure that avoidable readmissions are prevented.
- ✓ **Improve Quality of Care**
  - Invests in developing and reporting care quality measures across the delivery system to help beneficiaries make more informed choices among providers and to reduce the one in seven hospitalized Medicare patients who experience a complication.
  - Creates incentives to reward providers that meet quality goals or show significant progress in improving patient outcomes, moving our health system toward one that rewards better care rather than more care.