

## SENATOR JEFF BINGAMAN

### THE IMPACT OF HEALTH REFORM ON SENIORS IN NEW MEXICO

*National health care reform includes key changes that will significantly benefit New Mexico's seniors.*

#### **Strengthening and Protecting Medicare**

- Health insurance reform protects Medicare. It **does not cut benefits** for the 290,000 New Mexicans who benefit from the program.
- Instead, key reforms in the law will **improve quality and efficiency** in Medicare. It will do so while curtailing the trend of unsustainable increases in program spending such as wasteful overpayments to insurance companies. The law also decreases unfair subsidies that traditional Medicare beneficiaries pay to support the Medicare Advantage program, subsidies that threaten the solvency of Medicare. In addition, increased quality and efficiency will decrease the out-of-pocket cost of beneficiaries.
- The law will **preserve and expand access** for seniors to quality doctors. It does this by increasing Medicare reimbursement rates for physicians, particularly for primary care doctors, internal medicine physicians, and geriatricians.
- Reform will **extend the solvency** of Medicare Trust Fund from 2017 to 2026, protecting the program's benefits for both current and future recipients.

#### **Reducing Prescription Drug Costs**

- Seniors, more than ever, are struggling with skyrocketing prescription drug costs. Reform seeks to **reduce the out-of-pocket costs** New Mexico's seniors increasingly bear for prescription drugs.
- The current Medicare drug benefit includes a broad interruption in coverage -- often referred to as the "doughnut hole" -- during which beneficiaries are responsible for 100% of the cost of drugs.
- Reform immediately provides a **\$250 rebate** to beneficiaries who hit this coverage gap. And, beginning in 2011, reform also guarantees 50% price discounts on brand-name drugs purchased by low and middle-income beneficiaries in the coverage gap. The new health care reform law **completely closes the "doughnut hole"** by 2020.

#### **Free Preventive Care**

- Under the new law, seniors on Medicare will now receive a free **annual wellness visit**.
- Seniors no longer will have to pay for any **recommended preventive services**, such as screenings for cancer, diabetes, and heart disease.

#### **Re-insurance for Retiree Health Benefits Plans**

- The law provides \$5 billion to **support health insurance coverage** offered by employers to their "early retirees" -- individuals who retiree at between 55 years of age and less than 65 years of age, the point at which they would be eligible for Medicare.
- This program offers immediate help to **offset the costs** of expensive health care claims for these New Mexicans.