



What's in Health Reform for Seniors

Stability and Security for Seniors in Health Care Reform

Lowering Costs for Seniors

- Reform eliminates deductibles, copayments, and other cost-sharing for preventive care and provides free annual wellness check-ups.
- Health care reform creates a pathway for the approval of generic biologic drugs to improve affordability of medications for seniors and all Americans.

Closing the Donut Hole

- In 2007, more than 8 million seniors hit the gap in prescription drug coverage in Medicare Part D (the “donut hole”). When seniors hit a certain coverage limit, they are required to pay 100% of the cost of their prescription drugs until they reach a “catastrophic amount” of spending.
- Health care reform fixes this gap, providing seniors a \$250 rebate check when they hit the donut hole this year, and starting in 2011, providing a 50 percent discount on brand-name drugs purchased while seniors are in the donut hole in that year, phasing to close the donut hole completely by 2020.

Quality, Affordable Health Care for Seniors

- Over 90% of Medicare costs are spent on treating chronic conditions. Reform invests in innovations such as medical homes and care coordination to improve the quality of care seniors receive.
- By linking payments between hospitals and other care facilities, health reform will 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.
- One in seven hospitalized Medicare patients experiences a complication. Health reform will invest in developing and reporting quality of care measures across the health care delivery system to help beneficiaries make more informed choices among providers for the care they may need.
- As much as 30% of our annual health care spending—or \$700 billion a year—goes toward treatments, tests and hospitalizations that do nothing to improve health. Health reform would replace fees for service with fees for outcomes to reduce the number of unnecessary tests and procedures and reward doctors and hospitals instead for providing efficient, high-quality care.
- Sixty-five percent of seniors need long-term services at home at an average cost of \$18,000 each year. Health reform will create 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.

Protects What Seniors Already Have

- Health reform will prevent a 20% cut in Medicare doctor payment rates next year - ensuring that doctors will continue to serve seniors.
- Medicare reforms will increase beneficiaries' access to primary care doctors and medical homes.
- Health reform will simplify paperwork, computerize medical records with privacy protections, and make sure forms are easy to read so seniors can work with their doctors to take charge of their health choices.

Extends Solvency of the Medicare Trust Fund

- Health care reform will strengthen the financial health of Medicare. Both by establishing a competitive system to reduce Medicare overpayments to private insurance companies, and fighting waste, fraud and abuse in the system, reform will extend the life of the Medicare Trust Fund by 10 years.
- More money will be going to benefits and less to insurer profits.
- Not a penny of Medicare taxes or the Trust Fund is used to fund health care reform.
- By extending the solvency of the Medicare Trust Fund, not only does this help seniors today but also future generations of seniors who have invested in the system.