

HOW THE AFFORDABLE HEALTH CARE ACT AFFECTS MEDICARE

Republicans have been running ads and making statements to scare seniors into thinking that the Affordable Health Care Act will reduce their Medicare benefits. Democrats support the Affordable Health Care Act which brings the U.S. closer to the universal coverage one finds in almost all other industrialized nations. The bill will provide coverage for 32 million of the 45 million Americans who currently lack health care.

IMPROVED BENEFITS FOR SENIORS

The Affordable Health Care Act eliminates seniors' copays for preventive care and provides seniors with 100% coverage for an annual checkup. It improves drug coverage for seniors by gradually closing the donut hole, the period after initial coverage when seniors with higher drug costs now have to pay the full costs of their drugs. Seniors who now fall into the donut hole will be able to buy their drugs for half their retail price. The bill includes cost saving measures which are expected to save Medicare \$500 billion over 10 years. These savings will extend the solvency of the Medicare program an additional 12 years to 2029.

MEDICARE COST SAVINGS

Some of the savings will come from bringing the costs of Medicare Advantage Plans in line with Medicare. Private insurance companies currently subcontract with Medicare to provide health care for seniors for an annual fee paid by Medicare and the seniors who purchase the plan. The original idea was that competition among private insurance companies would reduce costs, but instead the Medicare Advantage plans currently cost 14% more than Medicare.

Other savings will come from slower increases in payments to hospitals and other service providers and reduction in Medicare fraud. The Affordable Care Act provides the Centers for Medicare and Medicaid Services with new tools that are designed to prevent fraud before it happens.

QUALITY HEALTH CARE COSTS LESS!

Most important, the Act provides payment incentives for coordination and improvements in care for people with chronic diseases. Diseases like diabetes, atrial fibrillation, congestive heart failure, respiratory conditions, and arthritis account for 75% of the health care costs of seniors. Health care systems like the Mayo Clinic, St. Mary's Hospital in Duluth, and the Veterans Health Care System have already demonstrated that with good chronic care, health

care costs can be substantially reduced. Keeping people healthy is a win for everyone. Seniors are hospitalized less frequently and gain a higher quality of life and medical care costs go down.

Pay no attention to the scare ads. For more information on Medicare and to keep up with current Medicare issues, visit the Medicare Rights Center, a national nonprofit consumer service organization that helps people with Medicare understand their rights and benefits.

<http://www.medicarerights.org/issues-actions/health-reform-and-medicare.php>