



GET THE FACTS: HEALTH REFORM AND MEDICARE

Health reform legislation (Affordable Health Care for America Act, HR 3962) introduced by three committees in the House of Representatives, makes substantial improvements to Medicare by improving coverage and shoring up the program's finances. Opponents of health reform have mounted a campaign of misinformation, intended to scare older adults who rely on Medicare for their health care. Here is the real story:

Health Reform Improves Medicare Drug Coverage

HR 3962 will eliminate the coverage gap or "doughnut hole" in prescription drug coverage by phasing it out by 2019. This will help millions of older adults and people with disabilities who skip doses or split pills while they are in the doughnut hole and must pay the full price of drugs. The bill provides additional assistance by requiring brand-name drug makers to provide a 50 percent discount during the coverage gap and authorizing Medicare to negotiate for lower drug prices.

Health Reform Strengthens Medicare's Financial Outlook

HR 3962 brings down the rate of growth in Medicare spending and shores up Medicare's Hospital Insurance Trust Fund, which is now predicted to run short of money to pay claims in 2017. The bill strengthens Medicare's finances, primarily by reducing the annual increases in payments to hospitals, nursing homes and home health agencies, and by bringing subsidies to Medicare private health plans in line with costs under Original Medicare. These payment reforms are based on recommendations from the nonpartisan Medicare Payment Advisory Commission.

There are no cuts to Medicare benefits in HR 3962. The government will not come between you and your doctor as you make health care decisions together, and nothing in HR 3962 rations care or prevents Medicare from covering treatment for a terminal illness.

Health Reform Makes Medicare More Affordable

HR 3962 eliminates copays and deductibles for preventive services.

HR 3962 allows low-income people with Medicare to receive financial help paying for their medical and prescription drug costs and still keep a modest retirement nest egg (up to \$17,000 for an individual, \$34,000 for a couple).

HR 3962 prohibits Medicare private health plans from charging more than Original Medicare for hospital admissions, home health care or other services.

Health Reform Improves Quality of Care in Medicare

HR 3962 will reduce the number of patients who return to the hospital because the facility did not provide an appropriate plan of care before discharge. The bill makes hospitals financially responsible for ensuring people with Medicare receive appropriate care after discharge.

HR 3962 boosts Medicare payments for consultations with primary care doctors and specialists, and provides additional payments to doctors who coordinate care by different specialists and improve the health of their patients. A related bill would eliminate a 21 percent Medicare pay cut for doctors in 2010 and cuts in succeeding years that are mandated under the current payment formula.

The Medicare Rights Center works to ensure access to affordable health care for older adults and people with disabilities through counseling, educational programs and public policy initiatives.

For more information, visit www.medicarerights.org or subscribe to our electronic newsletters at <http://www.medicarerights.org/issues-actions/newsletters.php>