

Side-by-Side Comparison of Health Reform Bills' Impact on Medicare

Impact on Medicare	Patient Protection and Affordable Care Act (Senate Bill)	Affordable Health Care for America Act (House Bill)
Prescription Drugs	<ul style="list-style-type: none"> • Requires 50 percent discount on brand-name drugs in the doughnut hole, effective July 1, 2010. (The doughnut hole is the \$3,600 gap in the drug benefit when consumers pay full price.) Discount does not apply to individuals with incomes above \$85,000 and couples with incomes above \$170,000 per year • Reduces coverage gap by \$500 in 2010 only 	<ul style="list-style-type: none"> • Requires 50 percent discount on brand-name drugs in the doughnut hole, effective July 1, 2010 • Phases out doughnut hole completely by 2019 by shrinking the gap each year starting in 2010 • Secures price concessions from drug manufacturers • Allows Medicare to negotiate lower drug prices • Lifts the 36-month limit on coverage of drugs to prevent rejection of a kidney transplant
Preventive Services	<ul style="list-style-type: none"> • Eliminates deductibles and coinsurance for preventive services recommended by the U.S. Preventive Services Task Force • Provides coverage of annual wellness visit and personalized prevention plan at no charge 	<ul style="list-style-type: none"> • Eliminates deductibles and coinsurance for preventive services • Moves coverage of all vaccines, including shingles vaccine, to Part B, improving access and reducing coinsurance
Assistance for Low-Income People with Medicare	<ul style="list-style-type: none"> • Eliminates prescription drug copayments for certain Medicaid recipients receiving home- or community-based long-term care 	<ul style="list-style-type: none"> • Eliminates prescription drug copayments for certain Medicaid recipients receiving home- or community-based long-term care • Expands eligibility for Extra Help (helps pay drug premiums and copayments) and Medicare Savings Programs (helps pay Medicare premiums, deductibles and coinsurance) by more than doubling the amount of allowable savings and other financial assets people can have • Extends through December 2012

		<p>the Qualified Individual (QI) program, which helps low-income people with Medicare pay for their Part B premiums</p> <ul style="list-style-type: none"> • Pays some Medicare coinsurance and deductibles for people with disabilities under 65 earning up to 150 percent of the federal poverty level (\$16,245 individual/\$21,855 couple) with limited assets
Doctors	<ul style="list-style-type: none"> • Provides 10 percent bonus for primary care 	<ul style="list-style-type: none"> • Related bill eliminates 21 percent pay cut in 2010 and cuts scheduled for 2011 and following years • Provides 5-10 percent bonus for primary care
Care Coordination	<ul style="list-style-type: none"> • Provides incentives for doctors to join Accountable Care Organizations that coordinate care from specialists and improve patient health 	<ul style="list-style-type: none"> • Provides incentives for doctors to join Accountable Care Organizations that coordinate care from specialists and improve patient health • Establishes “Medical Home” pilot to improve access to primary care services, coordination of specialist care and patient health
Hospitals and other facilities	<ul style="list-style-type: none"> • Saves \$147 billion over ten years by reducing annual payment increases • Provides incentives to reduce readmissions due to infections or other preventable causes 	<ul style="list-style-type: none"> • Saves \$173 billion over ten years by reducing annual payment increases • Provides incentives to reduce readmissions due to infections or other preventable causes
Private “Medicare Advantage” Health Plans	<ul style="list-style-type: none"> • Saves \$120 billion over ten years by setting payment based on plan bids • Provides bonus payments to plans that meet broadly defined quality or care coordination criteria • Prohibits plans from charging enrollees more than Original Medicare for <i>certain</i> medical services • Requires plans to use bonus payments to reduce cost-sharing for medical services 	<ul style="list-style-type: none"> • Saves \$170 billion over ten years by pegging payment to costs under Original Medicare • Provides bonus payments to plans that provide high-quality care based on specific performance standards • Prohibits plans from charging enrollees more than Original Medicare for <i>any</i> medical services • Limits plan profits and administrative expenses to 15 percent of Medicare payments and enrollee premiums

	<ul style="list-style-type: none"> • Creates single Annual Enrollment Period (AEP) for drug and health plan changes from October 15 - December 7 • Allows Medicare Advantage enrollees to enroll in Original Medicare during first 45 days of the new year 	<ul style="list-style-type: none"> • Creates single Annual Enrollment Period (AEP) for drug and health plan changes from November 1- December 15
Medicare Payment Advisory Board	<ul style="list-style-type: none"> • Establishes an Independent Payment Advisory Board with mandate to implement Medicare provider payment changes to meet savings targets. • Limits Congress's ability to overturn or amend payment changes • Board cannot change Medicare eligibility or reduce benefits or premium subsidies. Allowed to make limited changes to how drug plan premium subsidies are calculated 	<ul style="list-style-type: none"> • No similar provision
Means Testing Medicare	<ul style="list-style-type: none"> • Raises drug plan premiums for individuals earning over \$85,000 and couples earning over \$170,000 • Freezes inflation indexing for Medicare-related premiums for people with high incomes 	<ul style="list-style-type: none"> • No similar provision
Medicare Part A Payroll Tax	<ul style="list-style-type: none"> • Increases the Medicare Part A payroll tax by 0.9% for individuals earning over \$200,000 and couples earning over \$250,000 	<ul style="list-style-type: none"> • No similar provision
Financial Solvency	<ul style="list-style-type: none"> • Adds nine years to the life of the Part A Trust Fund 	<ul style="list-style-type: none"> • Adds five years to the life of the Part A Trust Fund