



Getting Medicare right

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

Impact on Medicare	Final Health Reform Bill (Senate Bill and Reconciliation)	Patient Protection and Affordable Care Act (Senate Bill)
Prescription Drugs	<ul style="list-style-type: none"> • Provides an immediate \$250 rebate to people with Medicare in the doughnut hole, effective 2010. (The doughnut hole is the \$3,600 gap in the drug benefit when consumers pay full price.) • Requires 50 percent discount on brand-name drugs in the doughnut hole, starting in 2011. • Phases out the doughnut hole completely by 2020, decreasing the share of costs paid by consumers in the coverage gap until it reaches the standard 25 percent 	<ul style="list-style-type: none"> • Requires 50 percent discount on brand-name drugs in the doughnut hole, starting in 2011. (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
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 recommended by the U.S. Preventive Services Task Force • Provides coverage of annual wellness visit and personalized prevention plan at no charge
Doctors	<ul style="list-style-type: none"> • Provides 10 percent bonus for primary care 	<ul style="list-style-type: none"> • Provides 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
Hospitals and other facilities	<ul style="list-style-type: none"> • Saves \$156 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 \$147 billion over ten years by reducing annual payment increases • Provides incentives to reduce readmissions due to infections or other preventable causes

<p>Private “Medicare Advantage” Health Plans</p>	<ul style="list-style-type: none"> • Saves \$140 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>certain</i> medical services • Limits plan profits and administrative expenses to 15 percent of Medicare payments and enrollee premiums • 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"> • 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 • 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
<p>Medicare Payment Advisory Board</p>	<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"> • 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
<p>Policies to Reduce Fraud, Waste and Abuse in Medicare</p>	<ul style="list-style-type: none"> • Strengthens Medicare pre-payment review process to prevent fraud, waste and abuse • Creates a 90-day period to hold and review claims from Durable Medical Equipment suppliers when there is a significant risk of fraud • Strengthens penalties on providers 	<ul style="list-style-type: none"> • Strengthens penalties on providers and suppliers who engage in fraud, waste and abuse • Reduces maximum time allowed for submission of Medicare claims to 12 months • Requires overpayments to providers and suppliers to be reported and returned in a limited

	<p>and suppliers who engage in fraud, waste and abuse</p> <ul style="list-style-type: none"> • Reduces maximum time allowed for submission of Medicare claims to 12 months • Requires overpayments to providers and suppliers to be reported and returned in a limited time period • Expands government authority to suspend payment for services or items pending fraud investigations • Expands use of government contractors who monitor fraud and abuse in Medicare Advantage and Part D 	<p>time period</p> <ul style="list-style-type: none"> • Expands government authority to suspend payment for services or items pending fraud investigations • Expands use of government contractors who monitor fraud and abuse in Medicare Advantage and Part D
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"> • 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
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
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 • Adds a 3.8% tax on certain unearned investment income for individuals earning over \$200,000 and couples earning over \$250,000 	<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
Financial Solvency	<ul style="list-style-type: none"> • Adds over nine years to the life of the Part A Trust Fund 	<ul style="list-style-type: none"> • Adds nine years to the life of the Part A Trust Fund