



GET THE FACTS: HEALTH REFORM AND MEDICARE

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President Obama's health reform plan builds on the health care bill passed in the Senate late last year (The Patient Protection and Affordable Care Act). This fact sheet describes how the Obama plan, and the provisions of the Senate bill it incorporates, would impact people with Medicare.

Health Reform Improves Medicare Drug Coverage

The Obama plan will eliminate the coverage gap or "doughnut hole" in prescription drug coverage by phasing it out by 2020. This will reduce the number 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 immediate assistance by giving a \$250 refund to consumers who enter the gap this year, and a 50 percent discount on brand-name drugs purchased during the coverage gap in 2011. Each year the share of costs paid by consumers for both generic and brand-name drugs in the coverage gap will decrease until it reaches 25 percent—the share people pay before they hit the gap—in 2020.

Health Reform Strengthens Medicare's Financial Outlook

The Obama plan adds nine years to the life of 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. The bill helps shore up the trust fund by increasing the Medicare pay roll tax for upper-income Americans.

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

Health Reform Makes Medicare More Affordable

The Obama plan eliminates copays and deductibles for preventive services and provides 100 percent Medicare coverage for an annual check-up..

The Obama plan prohibits Medicare private health plans from charging more than Original Medicare for services, like chemotherapy, that people with serious illnesses need.

Health Reform Improves Quality of Care in Medicare

The Obama plan 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.

The Obama plan provides Medicare bonuses to primary care doctors and additional payments to doctors who join Accountable Care Organizations that will coordinate care by different specialists and improve the health of their patients.

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.

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