

Improving Health Care Reform:
**MAKING PRESCRIPTION DRUGS MORE AFFORDABLE
AND ACCESSIBLE FOR SENIORS**

The health care improvements bill will make prescription drugs **more affordable** for seniors by closing the coverage gap in the Medicare Prescription Drug Benefit, also known as the “donut hole.”

Today, seniors who are enrolled in Medicare Part D, the Prescription Drug Benefit, are covered for their first \$2,830 in spending, but the benefit ends there. After that, seniors are responsible for 100 percent of their drug costs until they reach \$6,440 in spending, when catastrophic coverage begins and covers 95 percent of their costs. This burdensome “donut hole” in the benefit puts many seniors at serious health care risks. Some seniors are forced to skip doses of their medication or cut their pills in half because they can’t afford to cover the cost of their full prescription. Other seniors have to choose between buying groceries, home heating oil or their prescribed medicines.

Health care reform strengthens Medicare and the health care improvements bill will bolster the program even further by fully closing this gap, so seniors have coverage for prescription drugs no matter how much they’ve spent. Here’s how:

- **Immediately provides \$250 for seniors in the coverage gap** – In 2010, the health care reform plan would give every senior who enters the coverage gap \$250 toward the costs of their prescription drugs.
- **Provides a 50-percent discount in 2011** – Seniors who enter the coverage gap will begin receiving a 50-percent discount in the cost of brand-name drugs in 2011. This discount will significantly improve affordability before the coverage gap is completely closed.
- **Completely closes the donut hole by 2020** – Beginning in 2011, the Medicare Prescription Drug Benefit will phase in additional coverage for brand name drugs– on top of the 50 percent discount – and for generic drugs until the gap in coverage is filled in 2020.

What does this savings mean for me? – As a result of this legislation, the average senior in the coverage gap will save over \$700 next year and over \$3,000 by 2020.

Other Benefits for Seniors on Medicare

*Health care reform and the health care improvements bill give seniors new benefits
to make the care seniors need more affordable and accessible*

Expanding access to affordable drug plans – Today, low-income seniors can enroll in a drug plan that doesn’t charge a premium. Unfortunately, the plans eligible for this program change every year, making it hard for low-income seniors to stay in the most affordable plan. This improvements bill changes the calculation of which plans are eligible for the program, so more seniors can have access to zero-premium plans and fewer seniors will have to switch plans to keep affordable coverage.

Cuts red tape for seniors – The health care improvements bill closes loopholes that can make widows and widowers ineligible for low-income assistance in the Medicare drug benefit. These changes will make it easier for these seniors to retain their eligibility for assistance with their Part D copayments and premiums.

Other Benefits for Seniors on Medicare – continued

Eliminating small print – The health care improvements bill ensures that low-income seniors who are assigned to new Medicare drug benefit plans receive important information about their plan.

Reaching out to low-income seniors – The health care improvements bill provides new funding for programs that help seniors, particularly low-income seniors, enroll in the right plan for the particular drugs their doctor has prescribed.

Giving seniors a voice – The health care improvements bill creates a uniform exceptions and appeals process and provides instant access to allow seniors to appeal plan decisions if they are denied necessary drugs. It also improves complaint systems in all Medicare drug plans and bolsters monitoring of beneficiary complaints.

Improving drug plans – The health care improvements bill upgrades formulary requirements to guarantee that Part D enrollees have access to necessary drugs.

Cracking down on Fraud – The health care improvements bill creates new penalties for false or misleading marketing or enrollment of seniors in Medicare Prescription Drug benefit plans.

Keeping Seniors well – Under health care reform, all seniors will get a new benefit in Medicare – an annual wellness visit with their doctor during which they can work with their physician to develop a personalized prevention plan. Focusing on wellness and prevention will keep seniors healthier and save Medicare dollars down the line.

Focusing on Prevention – As a result of health care reform, seniors will now receive preventive benefits completely free. That means, when seniors go to the doctor for a colonoscopy, mammography or other preventive screening, they won't pay the co-pay required under current law. Encouraging more preventive care is one of the best methods proven to save lives and lower health care costs.

Keeping Seniors at Home – Health care reform will help seniors who are eligible for both Medicare and Medicaid access home and community-based alternatives to nursing home care and will protect seniors who currently have to spend down their assets and impoverish themselves to qualify for any help.

Protecting guaranteed benefits - With health care reform now law, seniors will continue to receive the guaranteed Medicare benefits they deserve, including hospital stays, access to doctors, home health care, nursing homes and prescription drug coverage. Health care reform will protect the doctor-patient relationship and will not interfere with any medical decisions made by patients and their doctors.

Delivering better care – Health reform saves money in Medicare by looking for places where the program can be more efficient. It includes incentives for doctors to work together to deliver better care. It also includes incentives for hospitals to reduce the rate of unnecessary readmissions for seniors and reduce hospital acquired infections, which results in better care for patients and saves Medicare dollars.

Lowering costs for seniors – According to the non-partisan Congressional Budget Office (CBO), health care reform will lower seniors' Medicare premiums by \$30 billion over the next 10 years by focusing on prevention and wellness, increasing efficiency and making the program more cost-effective.

Protecting Medicare for years to come – The Office of the Actuary at Centers for Medicare and Medicaid Services estimates health care reform will extend the program for nearly a decade.