COMMITTEE ON FINANCE
NEWS RELEASE
Max Baucus (D-Mont.)
http://finance.senate.gov

FOR IMMEDIATE RELEASE
March 23, 2012

Contact: Communications Office
(202) 224-4515

BAUCUS APPLAUDS HEALTH REFORM'S RECORD OF CUTTING COSTS FOR CONSUMERS, TAXPAYERS

Finance Chairman Commemorates Affordable Care Act's Two Years of Progress Protecting Consumers, Bringing Americans Access to Quality, Affordable Heatlh Care

Washington, DC – On the two-year anniversary of the Affordable Care Act (ACA) becoming law, Senate Finance Committee Chairman Max Baucus (D-Mont.) today cheered the progress the law is making. The law is protecting consumers, expanding coverage and lowering costs for seniors, families and businesses in Montana and across the country. Baucus was a chief architect of the health reform law.

"Health reform is saving seniors, families and taxpayers billions of dollars and helping to control costs across the health care system," Baucus said. **"Prescription drugs are cheaper for seniors, who can use the savings for everyday items like groceries and to help cover the bills. Millions of young people can stay on their parents' plans through age 26, meaning they can focus their educations and on building a career rather than finding insurance. People in Montana and across the country are now protected from the insurance industry's abuses. Insurance companies can no longer place arbitrary caps on coverage. A tiny error on an insurance application no longer means an insurance company can end a sick customer's coverage. Medicare premiums are dropping, and we're putting the best ideas from the private sector to work reducing costs and maintaining quality care. And health reform's progress preventing fraud and abuse made 2011 the most successful year ever recovering lost money. As the rest of the Affordable Care Act goes into effect over the next few years, millions more Americans will get help finding and paying for the insurance plan that's right for them and their families. Health reform is succeeding, so we need to let it keep working for all Americans."**

Saving Seniors Money

Thanks to health reform, more than five million seniors have collectively saved more than $3 billion on prescription drugs in the Medicare Part D program. Health reform provides the Department of Health and Human Services (HHS) with increased authority to scrutinize bids from private plans offering prescription drug benefits for Medicare beneficiaries. This authority ensures Medicare beneficiaries receive the best possible premium for prescription drug plans. Over time, the ACA fully closes the "donut hole," the gap in drug coverage. And last year, the premiums seniors paid for drugs in Medicare Part D dropped for the first time since 2007. Health reform has also helped curb costs and preserve the quality of care offered in plans throughout Medicare. Premiums in Medicare Advantage (MA) dropped 14 percent in 2011 from the year before, beating early forecasts and saving seniors an average of $50 over the course of the year. Due to overpayments to private insurance companies and other areas of waste, MA plans previously cost 113 percent as much as those in traditional Medicare offering equivalent coverage and services.

Keeping Seniors Healthy with Preventive Care

With Medicare's new Annual Wellness Visit, seniors also now have the opportunity to discuss concerns with their doctors, reviewing tips for prevent illness and learn new ways to better manage chronic conditions like high blood pressure and diabetes before they worsen and lead to costly hospital stays.

Reducing the Deficit

The health reform law provided the biggest deficit reduction in more than a decade. According to the Congressional Budget Office (CBO), the law will reduce deficits by $143 billion in its first ten years and by more than $1 trillion in the decade that follows. CBO also recently released a report showing that over the next ten years, per-beneficiary costs will average "just one percent a year more than the rate of inflation." That represents a significant improvement from the last several decades, when costs grew five percent faster than inflation.

Over the coming years, several new cost-reducing ACA provisions will kick in. More Accountable Care Organizations, bundled payments and value-based payments will help improve and coordinate care across every level of medicine, including those covered by Medicare Part B, so that care is patient-centered and efficient. The ACA also includes provisions designed to boost primary care and improve preventive care, which will help restrain costs and control premiums by identifying health issues early when they are most treatable.

Protecting Consumers From Insurance Company Abuses

Thanks to the Patient's Bill of Rights and other consumer protections included in health reform, millions of young people are able to stay on their parents' insurance until age 26. Insurance companies can no longer deny children coverage on their parents' plans or discriminate against children with pre-existing conditions. Health reform ended arbitrary dollar caps on care, which previously often forced families into bankruptcy, and insurance companies can no longer scour application forms for tiny errors to avoid payments when one of their customers gets sick.

Fighting Fraud to Recoup Taxpayer Dollars

Health reform also gave new tools to law enforcement agencies and HHS to protect precious Medicare and Medicaid dollars from fraud and abuse. Those new tools made last year the most successful ever in fraud crackdowns, with a total of $4 billion recollected. The law creates new ways for Medicare to screen health care providers before they are accepted into the program, preventing criminals and past offenders from attempting fraudulent transactions. It also creates a singular database for Medicare billing information, which allows the Departments of Health and Human Services and Justice to better coordinate and share information on past offenders and schemes. The new law also works proactively by giving officials the authority to suspend payments and investigate suspicious claims before they are paid, eliminating the need to track down fraudulent payments later. It increases civil and criminal penalties for those who commit fraud, and it increases the investment in the Health Care Fraud and Abuse Control Program, a joint effort between the Department of Justice and HHS to fight health care fraud.

###