

THE PATIENT PROTECTION AND AFFORDABLE CARE ACT

Strengthening Medicare and Protecting Benefits for America's Seniors

Seniors have been burdened with misinformation and false claims about the impact of health care reform. However, this empty rhetoric does not stand up to the facts. The Patient Protection and Affordable Care Act clearly strengthens the Medicare program. The bill reduces premium costs for seniors, improves Medicare's financial integrity and delivers immediate benefits for seniors like lower prescription drug costs and free preventive services. In short, health care reform will fortify Medicare and protect Medicare benefits for America's seniors. The following separates fact from fiction on Medicare in health care reform.

Fiction: This bill cuts billions of dollars from Medicare Advantage plans, hurting the 11 million seniors enrolled in those plans today.

Fact: This bill cuts down on overpayments, not benefits. Overpayments to insurers threaten Medicare's future and increase costs for seniors. For 2009, MedPAC – the independent commission that advises Congress on issues affecting Medicare – estimates Medicare will pay approximately \$12 billion more for beneficiaries enrolled in private Medicare Advantage (MA) plans than if they were in traditional Medicare. These overpayments exist because private insurers under Medicare Advantage are overpaid by 14 percent on average.

Fiction: Cutting government subsidies to private Medicare benefits will increase costs for seniors.

Fact: The overpayments private insurance companies receive under current law to deliver Medicare benefits have increased the costs of Medicare for seniors today. The typical couple in Medicare pays an extra \$90 per year because of these overpayments to private insurance companies, even if they are not enrolled in a Medicare Advantage plan. Reducing these overpayments will strengthen Medicare and knock \$90 off Part D premiums for every couple on Medicare every year. The legislation also will not permit insurers to do anything that would reduce any Medicare benefits seniors are entitled to under the law.

Fiction: Health reform will cut Medicare benefits for seniors.

Fact: Health reform will increase the number of Medicare benefits that seniors are entitled to under law. The legislation increases coverage of preventive services at no additional costs to seniors. That means, when seniors visit a doctor for a colonoscopy, mammography, or other preventive screen, they won't pay the co-pay required under current law. Encouraging more preventive care is one of the best ways we can save lives and lower health care costs. That's why, under this bill, seniors will receive even better preventive benefits than they receive today.

Fiction: Under health reform, government bureaucrats will dictate personal health care decisions.

Fact: Health care decisions about providers and treatments are some of the most personal decisions many people make. Under current law, doctors and patients decide which treatments Medicare patients need. The same is true under this bill. Health reform will keep these decisions between health care providers and patients. And with improved payment policies, this bill also ensures Medicare providers get the resources they need to continue providing quality care to their patients.

Fiction: Health reform will slash Medicare and make it weaker over the long-term.

Fact: The Office of the Actuary at Centers for Medicare and Medicaid Services confirms health care reform will extend the solvency of Medicare – potentially by as much as five years. In contrast, if we don't act, the Medicare trust fund will go broke in 2017. By making smart changes in Medicare that improve patient outcomes and save money, this bill extends the life of the program without cutting benefits for seniors.

Fiction: Reducing fraud, waste and abuse in Medicare will not save a significant amount of money.

Fact: Waste, fraud and abuse cost the health care system billions of dollars every year. Improving Medicare's financial integrity is one of the first steps we can take to save the program. According to independent analysis from the Congressional Budget Office, under this bill, enhanced oversight, like requiring background checks and screening for providers, will save Medicare dollars. Targeting waste, fraud and abuse in Medicare will protect American taxpayers and help extend the life of the program.

Fiction: Health care reform will not lower costs for seniors but drive costs higher.

Fact: Seniors will see immediate savings in prescription drug costs under health care reform. This legislation will save seniors money in the Medicare prescription drug coverage program by providing more coverage and lowering the costs of brand-name prescription drugs. In 2010, seniors will receive an additional \$500 of coverage before they have to begin paying out of their own pocket in the coverage gap or "doughnut hole" in the Medicare Prescription Drug Benefit. Also beginning in 2010, the price of brand-name drugs and biologics will be cut in half for the seniors who have to pay for prescriptions out of their own pocket when they hit the "doughnut hole" between initial and catastrophic coverage.

Fiction: This bill overlooks the millions of seniors who prefer to get care at home instead of entering a nursing home.

Fact: This bill makes home and community-based services more widely available in Medicaid. Despite advancements in home and community-based services, seniors have few affordable and accessible options in choosing a health care setting today. Seniors deserve more options, rather than just nursing homes. For seniors eligible for both Medicare and Medicaid and who prefer home or community-based services, this bill provides valuable support.

Fiction: Leading advocacy groups do not support the Senate health care bill.

Fact: The country's leading advocacy groups for seniors rights are helping stop the scare tactics and clear up the facts. Voices like AARP and the American Medical Association support the responsible Medicare reform in this bill. Read excerpts from some of their public statements below:

- ✓ *AARP* -- "The new Senate bill makes improvements to the Medicare program by creating a new annual wellness benefit, providing free preventive benefits, and — most notably for AARP members — reducing drug costs for seniors who fall into the dreaded Medicare doughnut hole, a costly gap in prescription drug coverage." (Nov. 18, 2009)
- ✓ *American Medical Association* -- "[We are] working to put the scare tactics to bed once and for all and inform patients about the benefits of health reform." (Nov. 20, 2009)
- ✓ *Federation of American Hospitals* -- "Hospitals always will stand by senior citizens." (Nov. 16, 2009)
- ✓ *Catholic Health Association of the United States* -- "The possibility that hospitals might pull out of Medicare [is] very, very unfounded. Catholic hospitals would never give up on Medicare patients." (Nov. 16, 2009)

Fiction: Republicans are standing up for America's seniors and Democrats are not.

Fact: Republicans today are arguing the exact opposite of what they've said previously. In the late 90s, Republicans and Democrats joined together to fight for America's seniors, advocating Congress take the advice of experts who said the solvency of Medicare was in trouble. Today, some Republicans are using scare tactics, falsely claiming that the Patient Protection and Affordable Care Act will impose "cuts to Medicare" that hurt seniors. In truth, this bill protects the guaranteed Medicare benefits our seniors deserve.

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