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## **How does the new health reform law affect seniors?**

### **Thousands in Savings by Closing the Medicare “Donut Hole”**

- More than 8 million seniors in 2007 hit the “donut hole,” which is the gap in prescription drug coverage in Medicare Part D. Starting in June of this year, the new health reform law provides a \$250 rebate to Medicare beneficiaries who hit the donut hole. Beginning in 2011, the Act institutes a 50 percent discount on brand name drugs in the donut hole, and the Act will completely close the donut hole for all prescription drugs by 2020.

### **Reduces Unwarranted Subsidies to Private Health Plans**

- Phases down payments to Medicare Advantage plans to bring them more in line with the costs in the original Medicare program, provides for bonus payments for plans that improve quality and enrollee satisfaction, and reduces payments to plans with inflated risk adjustments that are not documented. Medicare’s guaranteed benefits are not affected, and reducing these unwarranted subsidies will save Medicare more than \$150 billion over 10 years.

### **Strengthens the Financial Health of Medicare**

- Invests in fighting waste, fraud, and abuse. Reforms payments to reduce unnecessary hospital admissions and health care acquired infections. Together, these proposals will extend the financial health of Medicare by 14 years.

### **Preventive Care for Better Health**

- Eliminates deductibles, copayments, and other cost-sharing for preventive care, and provides free annual wellness check-ups starting in 2011. Today, seniors must pay 20 percent of the cost of many preventive services and office visits.

### **Affordable Long-Term Care**

- Creates a voluntary long-term care insurance program, which will provide a cash benefit to help seniors and people with disabilities obtain services and supports that will enable them to remain in their homes and communities.

### **Control Chronic Disease**

- Invests in innovations such as medical homes and care coordination to improve the quality of care that seniors receive and to better spend the more than 90 percent of Medicare costs are spent on treating chronic conditions.

### **Promote Better Care After a Hospital Discharge**

- Links payments between hospitals and other care facilities to promote coordinated care after discharge from the hospital and encourage investments in hospital discharge planning and transitional care.

### **Improve Quality of Care**

- Invests in developing and reporting quality of care measures across the health care delivery system to help beneficiaries make more informed choices among providers for the care they may need and to reduce the one in seven hospitalized Medicare patients who experience a complication.

Learn more at [www.drsmforamerica.org](http://www.drsmforamerica.org)

*Doctors for America is a non-profit organization of physicians and medical students who advocate for changes in the health care system to ensure affordable access to quality care for all.*