

# Health Care for Michigan

## *Federal Health Care Reforms - Affordable Care Act*

### Benefits to Seniors

The new Federal healthcare law, the Affordable Care Act (ACA) provides new benefits to seniors on Medicare that emphasizes preventative care. The following is a list of the new benefits to seniors.

#### **Prescription Drugs**

The Affordable Care Act (ACA) provides relief to seniors who fall in the Medicare Part D (Prescription Drug Coverage) “donut hole” when drug costs hit a maximum coverage cap (\$2,830 in 2010). At this point Part D no longer covers drug costs until the cost reaches a certain level (\$4,550 in 2010) and then catastrophic coverage is triggered and Medicare starts covering drug costs again. This means that seniors in this Donut Hole (or coverage gap) struggle to pay (or go without) for their medications.

The Affordable Care Act (ACA) will eliminate the Donut Hole by 2020 in incremental steps:

- In 2010 seniors received a \$250 rebate check to help with the cost of prescription drugs.
- In 2011, seniors will receive a 50% discounts on their brand-name drugs while in the Donut Hole.
- From 2012 – 2019 the drug discounts increase for seniors in the Donut Hole.

#### **Preventative Care Benefits**

Under the Affordable Care Act, beginning in 2011 **all** Medicare recipients qualify for **Preventative Care Benefits** at no additional cost, including new procedures to diagnose potential problems early on. These preventive care benefits include:

- *Bone mass measurement*
- *Cervical cancer screening, including Pap smear tests and pelvic exams.*
- *Cholesterol and other cardiovascular screenings*
- *Colorectal cancer screening (except for barium enemas.)*
- *Diabetes screening*
- *Flu shot, pneumonia shot, and the hepatitis B shot*
- *HIV screening for people at increased risk or who ask for the test*
- *Mammograms*
- *Medical nutrition therapy to help people manage diabetes or kidney disease.*
- *Prostate cancer screening (except digital rectal examinations.)*

In addition Medicare will now provide and pay for an annual **Wellness Exam** where you can discuss with your doctor your diet and exercise and other parts of your life style to help you live a more healthy life. This service will now be covered under Medicare at no additional cost to you.

## **Impact of the ACA on the Medicare Budget**

So with these expanded benefits to seniors under Medicare at no additional cost to seniors, won't this really expand the Medicare budget?

It would if there were **no** cost containment measures within the Affordable Care Act. But in addition to providing new benefits, the ACA provides new provisions to rein in the cost of Medicare. A couple of examples include:

- The Affordable Care Act ends Medicare Advantage overpayments to private insurance companies. In 2009, payments for Medicare Advantage plans were 14 percent higher than what traditional Medicare would spend for similar beneficiaries. (AARP, Fact Sheet: [What the Health Care Law Does Now for People 65+](#))
- The Affordable Care Act cracks down on waste, fraud and abuse in Medicare. It provides an additional \$300 million for stronger enforcement and gives the government more authority to increase oversight of companies participating in Medicare and Medicaid. ([Associated Press, 5/13/2010](#)).

### **For More Information**

Materials are available at [http://www.aarp.org/health/health-care-reform/health\\_reform\\_factsheets/](http://www.aarp.org/health/health-care-reform/health_reform_factsheets/)

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