

## **Health Care Reform: The Affordable Care Act and You**

As everyone knows by now, the Affordable Care Act was signed into law in March of this year. There have been many questions about how the new law will affect seniors and Medicare. Here are a few highlights; look for more information in future issues.

### **The basic Medicare benefits that Seniors have come to depend on have been continued.**

In fact, Medicare will pay for more preventative services than in the past. For example, Medicare will begin to pay for annual wellness appointments and a personalized wellness plan. Starting in 2011, there will be no Medicare co-pays or deductibles for certain preventative services identified by the U.S. Preventative Services Task Force. Seniors will still be able to choose their own doctors.

### **The Affordable Care Act will eliminate the Part D donut hole by 2020.** The changes will be phased in gradually.

In 2010 any Medicare beneficiary who reaches the donut hole will receive a \$250 rebate to assist with these costs. The first batch of checks will be sent in June. The checks will be sent to people who have spent \$2830 on their drug costs so far this year. Medicare will receive information about when an individual reaches the donut hole from the plan. The check will be sent automatically to whatever address Social Security has listed for you; you do not need to do anything. *Do not be deceived by scammers who call and request your Social Security number or other personal information in order to receive your rebate. Medicare and Social Security already have this information!* People who receive the Low Income Subsidy will not get rebates.

In 2011, people who reach the donut hole will receive a 50% discount on all brand name medications, as well as a 7% discount on generic medications which will be provided by the drug manufacturer. The 50% discount on brand name drugs will be based on the price agreed to by the insurance plan and the drug manufacturer. Starting in 2011, some people with higher incomes will have to pay higher Part D premiums.

The donut hole will be eliminated by 2020. When a person meets their deductible, he or she will pay 25% of the cost of all medications. The plan will pay the remainder. If a person reaches the catastrophic coverage limit, he or she will be responsible for 5% of the cost of all medications.

**In 2011, the Annual Enrollment Period** ( for 2012) will start October 15 and end December 7<sup>th</sup>. (For this year, 2010, the Annual Enrollment Period will still start on November 15<sup>th</sup> and end on December 31<sup>st</sup>.)

Medicare currently pays Medicare Advantage plans around \$1000 more for each person than Original Medicare. The new law will eventually eliminate this overpayment to Medicare Advantage plans. The new law will also require Medicare Advantage plans to spend at least 85% of every dollar must be spent on actual health care services for members, rather than on administrative costs or profits.