

AFSCME

Legislative Fact Sheet

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The Supreme Court Decision on the Affordable Care Act: What it means for Seniors

The Supreme Court upheld the Affordable Care Act (ACA) in a 5-4 [ruling](#) in June. The Affordable Care Act – Obamacare – has already helped millions of Americans, from the 6.6 million young adults enrolled in a parent’s health plan to the 3.6 million people on Medicare who were able to save more than \$2.1 billion on their medications. With the uncertainty about the Court’s decision behind us, early retirees and seniors on Medicare can count on the ACA to ensure that they will continue to have access to a doctor and hospital care. The ACA makes Medicare stronger to protect seniors and their families from dramatic losses in economic status due to illness or accident. The solvency of the Medicare Trust Fund is extended to at least 2024 thanks to the ACA. Early retirees, who are not yet eligible for Medicare, also benefited from the ACA. Early retirees will no longer be at the mercy of insurance companies who want to deny them coverage or cancel policies because they have a medical condition. This fact sheet highlights some of the ways the health care law is helping seniors today.

Strengthening Medicare by Saving Seniors Money on Prescription Drugs. More than 5.2 million seniors and people with disabilities have saved a total of \$3.7 billion on prescription drugs thanks to the ACA’s required discounts on brand-name prescription drugs and generics. Beneficiaries who have high prescription drug spending will save close to \$16,000 by 2021. Since half of all people on Medicare have annual incomes below \$22,000, these savings are significant and mean seniors can keep getting the medicines they need. The savings will be even higher in the future, when the coverage gap for Medicare prescription drugs – known as the donut hole – is completely closed by 2021.

Improving Medicare by Saving Lives with Free Preventive Services. Before the ACA, many seniors did not receive recommended preventive and primary care because Medicare co-pays meant significant out-of-pocket costs. Because of the health care law, no Medicare beneficiary will have to pay anything to receive recommended preventive services that will keep them healthier. For example, the law eliminated Medicare co-payments and deductibles for mammograms, bone mass measurement, prostate cancer screenings, cholesterol and cardiovascular disease screening, colonoscopies and key immunizations. The law also added a new annual wellness visit at no cost to beneficiaries. These new Medicare benefits have already helped more than 32.5 million beneficiaries.

American Federation of State, County and Municipal Employees, AFL-CIO

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Fraud Fighting Tools to Protect Taxpayer and Medicare Dollars. The ACA created new tools to prevent, detect and fight back against fraud in Medicare and in other public health insurance programs. In 2011, Medicare used these tools to recover nearly \$4.1 billion from individuals and companies who attempted to defraud seniors and taxpayers. In most cases, they charged Medicare for services never received by beneficiaries, or deliberately overcharged for services rendered.

Protecting Medicare by Improving Access to Primary Care and Coordinated Care. The ACA will help address the shortage of primary care doctors by providing 10% bonuses for Medicare primary care providers. It also funds training to add 15,000 new primary care providers by 2015. It also invests in care coordination, such as pilot projects with hospitals to provide discharged patients with appropriate follow-up care to reduce preventable, costly readmissions.

Strengthening Medicare by Improving Benefits and Accountability in Medicare Advantage. Part of Medicare's increasing costs (and the cost of seniors' premiums) comes from extra subsidies to private insurance companies under the Medicare Advantage (MA) program. MA allows beneficiaries to receive their health care services through private insurance plans instead of regular Medicare. In 2011, Medicare overpaid these private plans on average \$1.10 for every \$1 worth of services under regular Medicare, even though there's no evidence the extra payment leads to better quality for Medicare beneficiaries. The ACA gradually reduces these overpayments. Those who oppose the ACA have tried to scare seniors by saying these changes are cuts to Medicare. [Independent fact-checkers](#) have called these statements false.

For those who are in private MA plans, the new law prohibits these private insurers from charging higher co-payments than traditional government-administered Medicare. Beginning in 2014, it requires that MA plans spend at least 85% of collected premiums on benefits rather than on company profits and administration.

Helping Early Retirees Keep Coverage. The Early Retiree Reinsurance Program established by the ACA has helped employers – including state and local governments – to continue to offer health insurance to their early retirees (individuals age 55 to 64) by providing financial relief to reimburse plans with costly medical claims. The program provided nearly \$5 billion in payments to more than 2,800 employment-based health plan sponsors who cover millions of early retirees.

The ACA prohibits health plans from imposing a lifetime dollar limit on most health benefits. While some large employer plans already provided coverage with no limits on lifetime benefits, approximately 70 million persons in these plans did have lifetime limits before the ACA. The provision is important for all Americans, but particularly for early retirees who, because of their age, tend to be at risk for catastrophic illnesses and chronic conditions which require costly treatments that over time can reach lifetime caps. Banning lifetime limits means that early retirees with insurance will have the coverage they need when they need it the most.

The law also created a high-risk insurance pool to provide insurance to individuals who have been denied coverage due to a pre-existing condition and have been uninsured for six months. In 2014, these individuals will be able to purchase coverage through the health insurance “exchange” in their state. The exchange is a marketplace where uninsured individuals and small businesses can compare and shop for affordable high-quality insurance coverage. Early retirees and other individuals who have lower incomes (up to 400% of the federal poverty level – a maximum of \$43,320 for an individual and \$88,200 for a family of four) can receive tax credits to purchase coverage through the exchange.

Protecting Seniors Who Rely on Long-Term Care Services. The law authorized new criminal background checks on long-term care workers who have access to nursing home residents and seniors who rely on home care. It also strengthens state programs to investigate abuse against vulnerable seniors. The health care reform law requires greater transparency of nursing homes and better information about the quality of nursing care. It also improves the complaint process for consumers and their families. In addition, the law increased protections for spouses of people who receive Medicaid home care services. They will no longer be forced into poverty so that an ill spouse can qualify for Medicaid home care.

For more information: www.healthcare.gov/ and <http://www.afscme.org/issues/health-care>

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