

AFSCME

Legislative Fact Sheet

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The Affordable Care Act: What It Means For Seniors

President Obama signed the Affordable Care Act (ACA) into law four years ago, ensuring that families will get the health security they deserve. It improves Medicare benefits and protects Americans from the worst insurance company abuses. In 2012, the U.S. Supreme Court issued a clear and final ruling validating this law. This fact sheet covers some of the ways the ACA helps seniors:

The ACA helps seniors pay for their medications. Nearly 8 million people with Medicare have saved \$10 billion on their medications thanks to the ACA's required prescription drug discounts. Seniors will save even more in the future. In 2021, the ACA ends the coverage gap for Medicare prescription drugs – known as the donut hole.

The ACA allows seniors to get life-saving preventive services for free. Before the ACA, seniors had to pay part of the cost of recommended preventive screenings. This created a stumbling block for many seniors and they did not get mammograms, prostate cancer screenings, colonoscopies or key immunizations. Now these and other preventive services have no deductible or co-payment. Thanks to the ACA, some 37.2 million people with Medicare used at least one free preventive service last year.

The ACA is changing sick care to health care. The law invests in better primary care. It grants 10% bonuses for Medicare primary care providers. New training funds will add 15,000 primary care providers by next year.

The ACA promotes care coordination too, by linking payments to hospitals that reflect how well hospitals care for you after you are discharged. If patients do not have the follow-up care they need and must come back to the hospital within 30 days of discharge, the hospital is penalized financially. As a result, there were roughly 70,000 fewer readmissions in 2012. This reduced Medicare costs and improved health outcomes for seniors.

The ACA protects seniors from the worst abuses of private insurers. Part of Medicare's increasing costs (and the cost of seniors' Part B premiums) comes from extra payments to private insurance companies under the Medicare Advantage (MA) program. The ACA reduces these overpayments to private insurers bit by bit. The law forbids these private insurers from charging higher co-payments than traditional Medicare. The ACA also stops private plans from spending too much of premium dollars on overhead expenses, such as marketing, profits, administrative costs, and agent commissions. Insurers must use 85 cents out of every premium dollar to pay medical claims and provide activities that improve the quality of care.

FIGHT MEDICARE FRAUD
The ACA gives prosecutors and investigators better tools to fight back against Medicare fraud. As a result, the federal government has recovered a record-breaking \$14.9 billion in health care fraud in the last four years.
To report suspected Medicare fraud or medical identity theft, call 800-447-8477.

The ACA helped employers keep early retirees covered. The law created the temporary Early Retiree Reinsurance Program. It helped more than 2,800 employment-based health plans and millions of early retirees in those plans. The program repaid plans for costly medical claims from their early retirees (pre-Medicare individuals age 55 to 64). From 2010 to 2012, the program provided nearly \$5 billion in support to those plans.

The ACA stops plans from taking away early retiree coverage just when it is needed the most. In the past, some people with cancer or other chronic illnesses ran out of insurance coverage because their health care expenses reached a dollar limit imposed by their insurance plan. About 70 million people in large employer health plans had these restrictions before the ACA. For early retirees, doing away with dollar restrictions on coverage is important. Because of their age, early retirees tend to have health care expenses that can reach the dollar limit. Under the health care law, insurers can no longer impose lifetime dollar limits on essential health benefits and annual limits are being phased out by this year.

The ACA helps uninsured early retirees purchase coverage. Some retirees under age 65 are not eligible for coverage through their employer or Medicare. These retirees have peace of mind because the health care law forbids insurance companies from denying them coverage or charging them more because of a pre-existing condition. These uninsured early retirees can also easily compare health insurance options and enroll for coverage through the health insurance exchange in their state. More than 7 million Americans signed up for affordable health care through the ACA's open enrollment period, which ended on March 31.

In addition, these early retirees who are not eligible for employer-sponsored coverage can get subsidies to buy coverage through the exchange in their state. For example, a 60-year-old single early retiree who has an income of \$31,000 could receive a government tax credit of up to \$4,207 to help purchase coverage. People with different incomes would receive either higher or lower subsidies.

The ACA protects seniors who rely on long-term care services. The law increased protections for spouses of people who receive Medicaid home care services. No longer will a husband or wife be forced into poverty so that a spouse can qualify for Medicaid home care services or nursing home care.

The ACA helps young adults in our families get health benefits. Thanks to the law some 6.6 million young adults stayed on their parents' health plans. This includes 3.1 million who were previously uninsured.

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

*Department of Federal Government Affairs
April 2014*

