

HEALTH CARE BENEFITS FOR SENIORS IN 2011

On March 23, 2010, President Obama signed the Patient Protection and Affordable Care Act (PPACA). The Act provides numerous benefits for seniors. Here are the major changes for 2011.

Free Medical Check Up under Medicare

Prior to passage of the PPACA, Medicare allowed for a one-time free check up when seniors joined the Medicare program. Beginning in 2011, seniors will be able to get a free check up every year.

Free Preventive Screenings

Beneficiaries will no longer have to pay any cost sharing for Medicare covered preventive services that are recommended by the U.S. Preventive Services Task Force and rated A or B. The law also waives the Medicare deductible for colorectal cancer screening tests.

Prescription Drug Discounts and Subsidies

In 2011, the Medicare Part D drug benefit doughnut hole is from \$2840 to \$6447.50. When beneficiaries fall into doughnut hole, they must pay the entire cost of their prescription medications. Beneficiaries would not exit the doughnut hole until they have paid a total of \$4550 in out-of-pocket costs. Beginning in 2011, Medicare beneficiaries who fall in the Part D drug benefit doughnut hole will receive a 50% discount on the price of their **brand name** drugs. Beneficiaries who fall in the doughnut hole will also receive a 7% government subsidy toward the cost of **generic** drugs.

Medicare Advantage Changes

Medicare Advantage (MA) plans are prohibited from imposing higher cost sharing requirements for some Medicare covered benefits than is allowed under the traditional Medicare fee-for-service program. Also, Medicare will begin to phase out overpayments to MA plans by freezing MA payments in 2011 at the 2010 level. MA plans are paid on average 14% more than traditional Medicare; thus the government pays these plans over \$1000 more per person each year than traditional Medicare. The overpayments also raise Part B premiums for seniors and the disabled, including those not on MA plans, by \$90 per couple a year. The PPACA restructures government payments to Medicare Advantage plans to keep them more in line with those of traditional Medicare. The reductions in overpayments will extend the solvency of the Medicare Trust Fund by 12 years according to the Medicare actuaries.

Bonus for Primary Care Providers under Medicare

Primary care providers will receive a 10% bonus payment for primary care services under Medicare; also, general surgeons practicing in health professional shortage areas will receive a 10% Medicare bonus payment.

Medicaid Long Term Care Services

Beginning October 1, 2011, the State Balancing Incentive Program in Medicaid will go into effect to provide enhanced federal matching payments to increase non-institutionally based long term care services.

Community First Choice Act

On October 1, 2011, the Community First Choice Option in Medicaid will provide community-based attendant support services to people with disabilities who require institutional level of care. States will receive an enhanced federal match of 6 percent for reimbursable expenses.

For more information about the Medicare benefits that go into effect in 2011, go to:

<http://healthreform.kff.org/timeline.aspx>
or visit: <http://www.healthcare.gov/foryou/seniors/index.html>

To view the Medicare 2011 handbook visit:
<http://www.medicare.gov/publications/pubs/pdf/10050.pdf>

[December 10, 2010]



FRIDAY ALERT



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January 7, 2011

As Republicans Try to Repeal Health Care Law, New Benefits for Seniors Kick in

House Republicans are wasting no time trying to repeal health care reform. The new Congress convened on Wednesday, and the House Rules Committee met on Thursday to report a rule to repeal the health care law. The full House voted today 236-181, largely along party lines, to move ahead to next week's final vote, which is scheduled for Wednesday, January 12. The plan to repeal the health care reform law would increase the deficit by \$230 billion by 2021, according to a preliminary analysis from the Congressional Budget Office. Because of the law, many important, positive changes to Medicare - such as free preventive screenings - went into effect on January 1. Those benefits, as well as a 50% discount for brand name drugs and 7% off generics for beneficiaries in the Part D doughnut hole, would disappear if the repeal were to become law. The doughnut hole is set to close entirely by 2020, but a repeal would change that. In addition, subsidies for early retiree health care would disappear. The 2010 law also extends the solvency of Medicare by 12 years. To see the Alliance fact sheet on 2011 Medicare changes, go to <http://bit.ly/gesRSR>.

It is expected that nearly all or all House Republicans will vote for the repeal legislation, H.R. 2, next week. However, Senate Democrats and grassroots organizations are pushing back. On Monday, the Senate Democratic Leadership – Sens. **Harry Reid** (NV), **Dick Durbin** (IL), **Patty Murray** (WA), **Charles Schumer** (NY) and **Debbie Stabenow** (MI) - wrote then soon-to-be Speaker **John Boehner** (R-OH) and told him that repeal of health care reform will not occur in the Senate. The five Senate Democratic leaders asked the Ohio Republican in the letter to preserve the health care law or risk leaving seniors without expanded insurance coverage for prescription drugs that the law provides. In addition, the Leadership Council of Aging Organizations, a coalition of 65 senior organizations, including the Alliance, sent a letter to all members of the House on Wednesday night urging a vote against repeal; to view that, go to <http://bit.ly/dYFJNd>. “Repeal would hurt retirees immediately,” said **Barbara J. Easterling**, President of the Alliance. “It would be a giant step backwards given all of the problems that were addressed by the 2010 health reform law.”

U.S. House Changes Leadership

On Wednesday, the 112th Congress was sworn into office, with Republicans formally taking control of the U.S. House and Boehner becoming Speaker. The Democrats kept their Senate majority, but with their numbers reduced since the previous Congress. The House Budget Committee Chairman is now Rep. **Paul Ryan** (R-WI), who last January released the “Roadmap for America’s Future,” which would radically alter America’s social insurance programs and tax policies. According to the Center for Budget and Policy Priorities, his plan would redistribute massive resources from working and middle class Americans to the nation’s wealthiest. Ryan has said that in order to address the nation’s fiscal deficit, he will bring up some of the recommendations of the President’s Fiscal Commission in addition to his Roadmap concepts. “Rep. Ryan’s plans would be disastrous for current and future seniors if they become law. He would privatize Social Security, raise the

retirement age, and cut Social Security benefits through price indexing,” said **Ruben Burks**, Secretary-Treasurer of the Alliance. For more on Ryan’s Roadmap, also known as “A Dead End for Seniors,” see the Alliance’s new fact sheet in English and Spanish at <http://bit.ly/fZQz95> and <http://bit.ly/eEfKbU>.

Politicians Target State Employees and Their Pensions

According to *The New York Times*, elected officials from Maine to Alabama, Ohio to Arizona, “faced with growing budget deficits and restive taxpayers,” are pushing new legislation to limit the power of labor unions - particularly those representing government workers - in collective bargaining and politics. In states including Illinois and New Jersey, politicians have also refused to pay into pension funds. New Jersey Governor **Chris Christie** (R) skipped the state’s required \$3.1 billion payment into New Jersey’s pension fund, and now the state has a \$53.9 billion unfunded pension liability. According to former Department of Labor Secretary **Robert Reich**, who blogged this week on *The Huffington Post* web site, “Public servants are convenient scapegoats.” He says in his post that Republicans going after retirees’ pensions are deflecting attention from corporate executive pay that continues to rise even as corporate profits soar. He notes that the average local government pension typically amounts to only \$19,000 a year. A sizeable part of that isn’t on taxpayers’ shoulders, since most public employees contribute a portion of their salaries into their pension plans while they are working. In the end, this makes taxpayers directly responsible for only about 14% of public retirement benefits. To see more, go to <http://huff.to/hLswea>.

President Signs Critical Senior Housing Bill into Law

On Tuesday, the President signed into law S. 118, the “Section 202 Supportive Housing for the Elderly Act of 2010,” which amends financing and project operation requirements for the Department of Housing and Urban Development’s program to allow for increased housing opportunities for low-income seniors. This legislation, which was introduced in January 2009 by Sens. **Herb Kohl** (D-WI) and Schumer (D-NY), passed the Senate on Saturday, December 18, 2010 and then passed in the House on December 21. Under this legislation, the oldest Section 202 properties, built between 1969 and 1974, will be able to refinance to provide much needed rehab funds for property upgrades. In addition, residents of those older buildings will receive a rental subsidy to continue to live in service-enriched housing, preventing displacement.

Alliance Prepares for State of the Union Address

The State of the Union annual address doesn’t just report on the condition of the nation but also allows the President to set forth his legislative agenda and priorities to Congress. The Alliance anticipates that President **Obama** may address critical retiree issues such as Social Security and Medicare when he delivers his speech, currently scheduled for January 25. Many state and local Alliance chapters nationwide are planning to host “watch parties” that will provide components of education and activism around the issues that retirees care about. Amidst wide ranging threats to Social Security, Alliance members will use the State of the Union address as an opportunity to gather with peers and check the facts about Social Security, including what they can do to make sure it is not cut or privatized. A toolkit to host a watch party can be found here: <http://bit.ly/ezVRam>.

If you are hosting a party, please e-mail araorganizing@retiredamericans.org to let us know.