



Healthcare Legislation

How Does It Effect Medicare Beneficiaries?

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Health Care Reform is now Law

Patient Protection and
Affordable Care Act

(H.R. 3590)

Became law 3/23/10

Health Care and
Education

Reconciliation Act

(H.R. 4872)

Became law 3/30/10



Why did we need healthcare reform?

- ❑ Over 47 million Americans uninsured
- ❑ Healthcare cost will bankrupt America
- ❑ Difficult to access health care if low income or sick
- ❑ No incentives for keeping people well
- ❑ Care is often uncoordinated and duplicative
- ❑ Medicare and Medicaid becoming more costly
- ❑ Insurance companies are only accountable to themselves



What Did We Get

- ❑ Coverage for children until age 26
- ❑ Insurance companies cannot deny people with pre-existing conditions
- ❑ Removes lifetime limits on coverage
- ❑ Remove restrictive annual limits
- ❑ Preventative care and immunizations at no cost
- ❑ Insurance companies cannot drop you when you are sick
- ❑ Review of request for insurance premium increases
- ❑ Small business owners will be eligible for billions in tax credits to help offer insurance coverage to employees



Improve Individual Responsibility

- Everyone must have health care insurance
 - Exceptions
 - Financial hardship and religious objections
 - American Indians;
 - People who have been uninsured for less than three months;
 - Lowest cost health plan exceeds 8% of income;
 - Individual has income below the tax filing threshold (\$9,350 for an individual and \$18,700 for a married couple in 2009).



Strengthen Employer Responsibility

- Does not impose a mandate on employers to offer or provide health insurance, but does require them to help pay for healthcare if taxpayers are footing the bill for their workers.

- Small businesses will receive \$40 billion in tax credits to support coverage for their workers beginning this year.



Subsidies



- Health insurance subsidies
 - Make coverage more affordable
 - Protect lower-income people from high out-of-pocket cost
 - Reforms health insurance markets

- Types of subsidy
 - Extend coverage in Medicaid to most people with incomes under 133% of poverty
 - Provides tax credits that reduce premium costs for people up to 400% FPL
 - Provides reduced cost sharing (e.g., lower deductibles and copayments) for people up to 250% FPL

American Health Benefit Exchanges

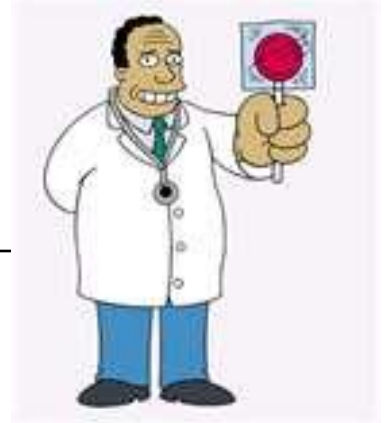
- An organized marketplace for the purchase of insurance
 - Offers consumers a choice of health plans and focuses competition on price
 - Provides information
 - Moves towards portability of insurance



Helping People in Ohio



- ❑ 1.4 million uninsured Ohioans could get affordable coverage through the health insurance exchange
- ❑ 942,000 Ohioans could qualify for premium tax credits to help them purchase health coverage
- ❑ 165,000 people with pre-existing conditions will no longer be denied insurance
- ❑ 118,000 small businesses could be helped by a tax credit to make premiums more affordable
- ❑ 1.8 million seniors would receive free preventive services
- ❑ 325,000 seniors would benefit from closing the “donut-hole” in Medicare Part D



HEALTH CARE REFORM DOES NOT CUT MEDICARE BENEFITS



Enrollment

The Medicare General Enrollment Period for 2011 runs from January 1 through March 31, 2011. General Enrollment is an annual opportunity for individuals who are eligible for, but not enrolled in, Medicare Parts A and/or B to enroll.



Enrollment



Medicare's Annual Coordinated Election Period for 2012 runs from October 15th through December 7, 2011.

The AEP is an opportunity for individuals who are enrolled in Medicare Part A and/or B to join or change a Medicare Prescription Drug plan or to join or change a Medicare Advantage program if they have Part A and B

MA Enrollment Changes

- Medicare Advantage Open Enrollment Period is changed:
 - Timing: January 1 – February 15, 2011
 - You may *only* use this new enrollment period to disenroll from Medicare Advantage and go into Original Medicare
 - In conjunction with using this enrollment option, you get:
 - A Special Enrollment Period to join a Prescription Drug Plan



Leveling the Playing Field for MA Plans

- Over the next few years, some Medicare Advantage plans may decide to withdraw from the Medicare market, increase premiums or cost sharing or reduce extra coverage, in part because:
 - Medicare payments to plans will be the same in 2011 as in 2010
 - Beginning in 2012, to reduce overpayments to plans of approximately 13 percent, payments to Medicare Advantage plans will be reduced in certain regions in which Original Medicare payments are high
 - Medicare Advantage plans providing high quality care may receive incentive payments

Will save Medicare \$150B over 10 years



MA continued..



- As of the 2011 plan year, Medicare Advantage plans are forbidden to charge copayments or coinsurance for certain services that would exceed the equivalent amount paid by people in Original Medicare:
 - Chemotherapy
 - Renal dialysis
 - Skilled nursing care

- Maximum out-of-pocket limits imposed on Medicare Advantage plans

- Most Private Fee-for-Service Plans (PFFS) must have a network of providers for the 2011 plan year
 - Exception for very rural or frontier areas



Medicare Benefit Changes for 2011

- Medicare Part B

- Freezes the income threshold for higher-income beneficiaries to \$85,000/individuals and \$170,000/couples
- Physician compare website
- Eliminates all cost-sharing for certain preventive and screening services provided in all settings
- Provides coverage for an annual wellness visit



Preventive Care



- Annual wellness visit:
 - Every 12 months, starting 12 months after the Welcome to Medicare exam
 - No cost for this visit
 - Consists of a personal risk assessment and prevention plan services:
 - Height, weight, body mass index, blood pressure and other routine measurements
 - Memory problems
 - Updates to medical and family history
 - List of risk factors, recommended interventions and treatment options
 - Personalized health advice and referral to preventive and educational programs
 - List of all health care providers and suppliers
 - Screening schedule for next 5-10 years

Closes the Medicare “Donut Hole”

- ❑ Affected more than 8 million seniors in 2007
- ❑ 2010 - \$250 rebate
- ❑ 2011 – 50% reduction
- ❑ 2020 – completely closed



“Class Act”

- The Community Living Assistance Services and Supports (CLASS) program
 - Qualifications for benefits
 - Premiums
 - Benefits
 - Timeline
 - Legislation





Home and Community Based Services

- ❑ If you are eligible for nursing home placement but want to stay at home, you will be able to receive more help
- ❑ Extends the Money Follows the Person program for six years.
- ❑ Your spouse will not have spend all of their money for you to receive home and community based care
- ❑ Eliminates Medicare Part D cost-sharing requirements for people who are receiving long-term care under a home and community-based waiver.

Elder Justice Act

- Helps to prevent and eliminate elder abuse neglect and exploitation
 - \$400 m in funding for APS
 - \$100 m – demonstration grants to improve APS
 - \$32.5 m to support the Ombudsman program
 - Establishes an Elder Justice Coordination Council
 - Creates a national program for criminal background checks



Implementation of Key Provisions of National Health Care Reform

2010

- Small employer tax credit for those providing health coverage
- Lifetime limits eliminated, annual limits restricted
- Prohibits dropping coverage when people get sick
- First dollar coverage of preventative health services (new plans)
- Dependent coverage extended to age 26
- **Rebates for the Medicare Part D “Donut Hole” (phase-in)**
- Option for states to cover childless adults and family planning services under Medicaid and provide more HCBS
- Health plans must report the proportion of premium dollars spent on claims

Implementation of Key Provisions of National Health Care Reform

2011

- Increased reimbursement for primary care
- Reformed payments for Medicare Advantage (phase-in)
- 50% discount on all brand-name drugs and biologics in the donut hole
- Preventive health care coverage under Medicare
- Class act premiums start
- HCBS increase – First Choice

Implementation of Key Provisions of National Health Care Reform

2012

- Linking payment to quality outcomes
- Reducing avoidable hospital readmissions
- Increased payment for primary care doctors
- Independence at Home demonstration program starts

Implementation of Key Provisions of National Health Care Reform

□ 2013

- Eliminated annual limits on insurance coverage
- Establishes Health Insurance Exchanges
- Provides premium tax credits and cost sharing reductions
- Employee free choice vouchers
- Everyone must purchase insurance or risk penalty
- **Medicaid increase to 133% of FPL**
- Consumer Oriented and Operated Plan (CO-OP) program

Implementation of Key Provisions of National Health Care Reform

2014

- Individual mandate with tax penalties (phase-in)
- Affordability tax credits for premiums and cost-sharing
- Penalties for employers whose workers receive subsidies (phase-in)
- Medicaid eligibility expanded to 133 percent FPL for all non-elderly individuals
- Premiums may vary on age, geography, family size, and tobacco use only
- Health Insurance Exchanges established
- MA plans penalized for not meeting a MLR of 85%

Implementation of Key Provisions of National Health Care Reform

□ 2015 - 2020

- Most provisions fully phased-in
- Excise tax on high-cost health plans
- Physician compare website up and fully functional
- Continues to reduce cost-sharing under Medicare Part D



What Didn't We Get for Seniors

Negotiate – Negotiate – Negotiate

H.R. 4752

Part D Plan administered by CMS

National uniform plan

One premium and deductible

Open formulary



Questions

Thank you!