

**For Immediate Release**

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## **Health Reform Act Rings in New Year with Good News for Seniors**

(Silverton) — As a result of the federal Affordable Care Act, the New Year will usher in changes to Medicare that will help seniors stay healthy and lower their health care costs.

“The benefits to seniors that take effect in 2011 demonstrate one of the many ways the Affordable Care Act is improving health care for Americans,” said Janet Bauer, policy analyst with the Oregon Center for Public Policy.

Starting January 1, seniors enrolled in Medicare will be able to receive free screening and preventive services for many life-threatening and chronic conditions including many types of cancer, heart diseases, infectious diseases, diabetes and other metabolic disorders.

“Prevention and early detection are key to bringing health care costs under control, something that the new federal law recognizes,” Bauer said.

The changes will also make the cost of prescription medications more affordable for many seniors, according to Bauer. She said the current Medicare prescription drug benefit program helps seniors with drug costs, but cuts them off once their annual costs exceed a certain level — \$2,840 in 2011. Then seniors must pay the full cost of their drugs until their expenses reach \$6,448, the point when the program again provides assistance.

This coverage gap, commonly referred to as the “doughnut hole,” affected 3.4 million seniors nationally in 2007, according to the Kaiser Family Foundation.

The Affordable Care Act fixes this problem, Bauer said. On January 1, seniors who reach the coverage gap will get a 50 percent discount on brand name drugs and a 7 percent discount on generics. By 2020 the gap will close completely and seniors will pay the usual 25 percent of the cost of their drugs, regardless of how many medications they need. And seniors who face prohibitively high prescription costs despite the subsidies will receive additional help.

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Also taking effect in 2011 is a rule that prohibits privately-run Medicare insurance plans, known as Medicare Advantage plans, from charging seniors higher co-payments and other fees than they would pay under the regular Medicare program.

In the New Year seniors may find it easier to find doctors who take Medicare patients, Bauer said, because the Act will begin giving bonuses to doctors who provide basic primary care services and surgeons who practice in areas where there is a shortage of specialists.

Finally, said the policy analyst, changes taking effect in 2011 will strengthen Medicare's finances. Starting in January, the law begins to scale back the practice of overpaying the private Medicare Advantage plans. The non-partisan Commonwealth Fund has estimated that overpayments to Medicare Advantage plans totaled nearly \$44 billion between 2004 and 2008.

"Seniors have good reason to cheer this New Year, thanks to the Affordable Care Act," Bauer said.

The Oregon Center for Public Policy is a non-partisan research institute that does in-depth research and analysis on budget, tax and economic issues. The Center's goal is to improve decision making and generate more opportunities for all Oregonians.