



Strengthening Medicare for Our Nation's Seniors

Congress is committed to protecting and strengthening the Medicare program for America's seniors. Medicare is a sacred trust with Americans and the *Affordable Care Act* ensures that trust is preserved. However, the cost of inaction is unacceptable for seniors and the Medicare program that serves them. Before passage of the *Affordable Care Act*, the Medicare hospital insurance trust fund was expected to go broke in seven years. The *Affordable Care Act* makes Medicare a stronger, more sustainable program.

Extends Medicare Solvency and Reduces Premiums Without Cutting Benefits

- ✓ Does not cut benefits covered by the Medicare program. Instead, increases benefits and strengthens the program to ensure Medicare's sustainability for years to come. Medicare solvency is extended by twelve years.
- ✓ Makes premiums more affordable by eliminating unnecessary federal spending, including substantial overpayments to Medicare Advantage plans. By law, seniors in Medicare Part B pay 25 percent of the program's costs.
- ✓ Explicitly states that no reductions in Medicare guaranteed benefits will be made and that any savings generated for the Medicare program will extend Medicare solvency, reduce Medicare premiums and cost-sharing for beneficiaries, improve or expand Medicare guaranteed benefits, and preserve access to Medicare health care providers.

Fills in the Medicare "Donut Hole"

- ✓ Provides a \$250 rebate check to all seniors who hit the "donut hole" in 2010, provides a 50 percent discount on brand-name drugs and biologics purchased in the donut hole beginning in 2011, and fills the donut hole by 2020. More than 8 million seniors hit the "donut hole" in 2007.

Promotes Prevention and Wellness

- ✓ Provides seniors with free annual wellness visits under Medicare. These visits will give seniors a chance to develop personalized prevention plans with their doctors to address health conditions and other risk factors for disease, before they become difficult and costly to treat.
- ✓ Eliminates out-of-pocket costs for recommended preventive care and screenings like mammograms.

Encourages Doctors to Work Together to Improve Quality

- ✓ Encourages all doctors and health care providers to work together to better serve a patient's needs and reduce wasteful care like repeated tests. Gives health care providers incentives to coordinate care across a range of health care settings – from the hospital to the home – to ensure the best health outcomes for seniors. Gives states incentives to create "health homes" which will coordinate care for chronically-ill seniors.
- ✓ Establishes value-based purchasing, with incentive payments for acute care hospitals that meet certain quality performance standards.

- ✓ Provides incentive payments to physicians who report quality measures, provide timely feedback on performance, and modify physician payments based on quality of care delivered.

Supports Rural and Frontier Areas

- ✓ Extends Medicare provisions that protect access to inpatient, outpatient, ambulance, and lab services in rural areas.
- ✓ Uses funds from the Small Rural Hospital Improvement Grant Program to enact delivery system reforms.
- ✓ Extends the Medicare Dependent Hospital program to provide higher payments for small rural hospitals that have a high proportion of patients who are Medicare beneficiaries.
- ✓ Includes special protections for frontier states that face particular challenges in assuring Medicare beneficiaries have access to needed health care.

Improves Medicare Advantage

- ✓ Phases down excessive subsidies to private insurance companies that participate in Medicare Advantage to bring them more in line with costs in the original Medicare program, with bonus payments for high quality plans, to save Medicare more than \$130 billion over 10 years.

Establishes a Centers for Medicare & Medicaid Services (CMS) Innovation Center

- ✓ Establishes a CMS Innovation Center to develop and expand new patient-centered payment models to encourage evidence-based, coordinated care for Medicare, Medicaid, and the Children's Health Insurance Program (CHIP).