



The New Healthcare Law and You

How will your Medicare benefits change?

You count on Medicare insurance. Will the new healthcare law change your benefits? Will it save you money? Or, will it cost you more? The answers depend on your income and the Medicare plan you've chosen.

The most important fact to know is the new healthcare law will not cut your government-guaranteed benefits. You get the same benefits Medicare has always guaranteed whether you have a traditional Medicare plan (Part A or B) or a Medicare Advantage plan (Part C). These are benefits like doctor services, inpatient and outpatient hospital care, and durable medical equipment.

Under the *Affordable Care Act (ACA)*, for many people Medicare covers more costs, offers more choices and works to improve the quality of care. Some people may find their premiums will go up.

Here are changes that may affect you:

Preventive services are now free.

Approved preventive care is free. This includes annual wellness exams, diabetes screenings and flu shots. Approved cancer screenings also are free, including mammograms and prostate exams.

Premiums for high-income seniors may go up.

For most people, Medicare premiums will *not* go up. A small number of people with higher incomes (about 5% in 2011) pay more.

Every year, the government sets your monthly Part B Medicare premium based on your income. People with incomes between \$12,996 and \$85,000 (\$17,484 to \$170,000 for couples) all pay the same monthly premium.

The higher income ranges will not change until 2019. However, if your income increases, you could reach the higher income ranges and have to pay higher Part B and Part D premiums.

Check your extra Medicare Advantage benefits.

If you have a Medicare Advantage plan, Medicare pays a private insurer like Humana, Medical Mutual or Anthem for your Medicare benefits. Some private plans offer extra benefits such as eyeglass coverage, which Medicare never guaranteed. The insurer is able to change the extra benefits it covers. If you're not sure what your Medicare Advantage plan covers, check with your insurer.

Steps will be taken to improve the quality of care.

The Affordable Care Act requires better coordinated care for people covered by both Medicare and Medicaid. This may make it easier for doctors, hospitals and others to work together to keep you healthy. It also could help people choose to stay at home longer rather than live in a nursing home.

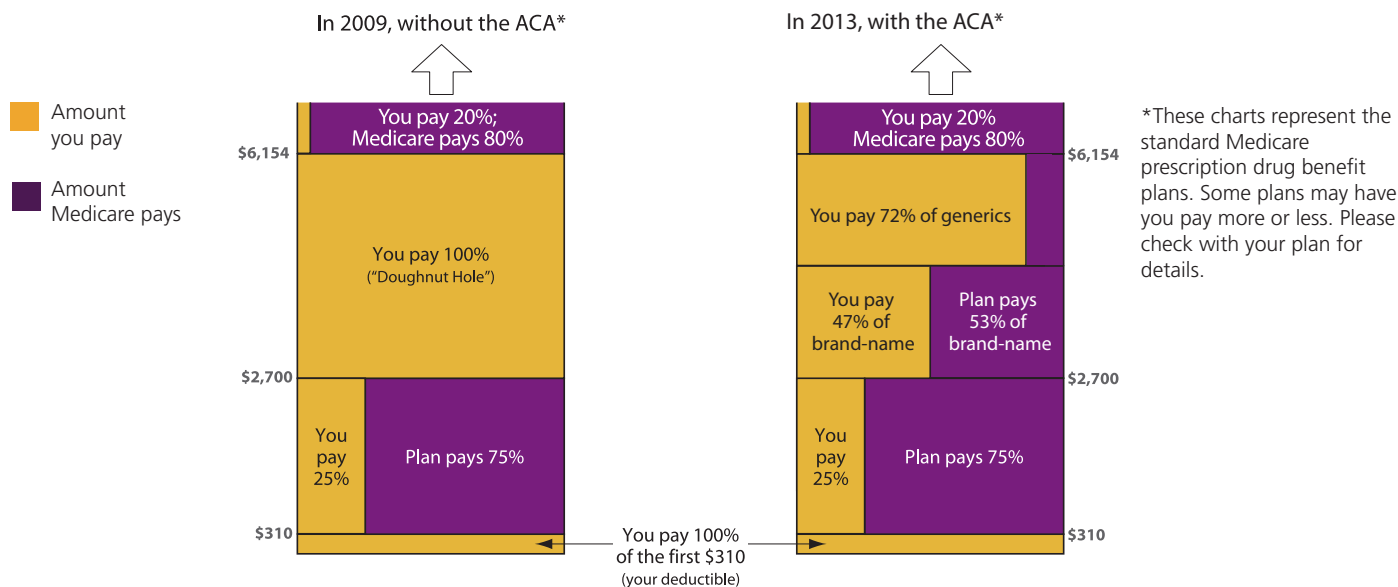
How will your Medicare benefits change? (continued)

Part D prescription drug coverage costs less.

You will pay less for prescription drugs while in the "doughnut hole." The amount you pay while in the doughnut hole will decrease each year until 2020 when you will pay only 25% of all prescriptions.

Starting in 2014, Medicare also will cover new drugs that improve your health such as those to help you stop smoking.

The chart below shows how your out-of-pocket costs have changed while in the doughnut hole.



These changes also affect Medicare's future:

Medicare Advantage plans will be paid less.

Compared to traditional plans, Medicare pays about \$1,000 more per person each year to private insurers to cover Medicare Advantage members. This extra money comes from the Medicare Trust Fund. Spending the extra money reduces the Trust faster.

Under the ACA, Medicare Advantage plans will get paid less each year until they get about the same amount as the government pays for traditional Medicare. But, Medicare Advantage plans also will be paid bonuses for improving the health of their members.

Doctors are encouraged to work in regions that are short of doctors.

Some seniors have trouble getting care because there are not enough doctors in their community. To encourage more primary care doctors and general surgeons to work in these areas, Medicare will pay them a 10% bonus for the next five years.

For more information, visit reform.healthfoundation.org.

This is second in a series developed by The Health Foundation of Greater Cincinnati about the new health care law — the Affordable Care Act.



The Health Foundation of Greater Cincinnati is an independent non-profit dedicated to improving community health through grants, evaluation and education. The Foundation works in Cincinnati and 20 surrounding counties in Indiana, Kentucky and Ohio.

Medicare Payments to Doctors

There is a separate issue with Medicare payments to doctors that you may have heard of, but it is *not* part of the Affordable Care Act.

In the 1990s Congress adopted a payment formula for doctors. It required payments to be cut if doctors' costs grew too fast. Yet, doctors' costs *did* grow too fast each year since 2002. Every year but 2003, Congress stopped the cuts without finding money to pay for it or changing the formula.

It's as if money was borrowed from future years' budgets. The Congressional Budget Office estimated fixing this problem would cost \$208 billion between 2009 and 2019. Fixes continue each year and payment to doctors remains steady until Jan. 1, 2014.

This could affect doctors' willingness to take Medicare patients if the cuts are made. Watch for this issue in the news later in 2013.