



## HEALTH CARE *and you*

# The New Health Care Law: What it Means for People 65+

**If you are age 65 or over, or under 65 but on Medicare, the new health care law may benefit you in several ways. The new law lowers prescription drug costs, strengthens Medicare, and improves long-term care services. By knowing what's in the law you can take advantage of these changes. Some of these benefits start this year. Others will phase in over the next several years.**

### **Lowers out-of-pocket prescription drug costs:**

- If you have Medicare Part D prescription drug coverage and reach the coverage gap (“doughnut hole”) this year, you will **automatically** receive a \$250 rebate check to help pay drug costs. You will not need to request or apply for the payment.
- Next year, if you reach the doughnut hole, you will receive discounts on your prescription drugs. You’ll get a 50% discount on brand name drugs and a 7% discount on generics while you are in the coverage gap.
- The Part D coverage gap will gradually narrow until it disappears in 2020.

### **Strengthens Medicare:**

- The law expands coverage for preventive care. If you have Medicare, you will qualify for a new annual wellness visit, mammograms, and other screenings for cancer and diabetes—at no charge. These new benefits start in 2011.
- Medicare Advantage plans that give better quality care will receive additional bonus payments. Plans are required to use some of this bonus money to offer you added health benefits.
- New rules will stop Medicare Advantage plans from charging people more than Original Medicare for certain services. These services include chemotherapy administration, renal dialysis, and skilled nursing care. These changes start in 2011.
- Beginning in 2014, Medicare Advantage plans must limit how much they spend each year on administrative costs. This means plans will have to spend more money on benefits and services that improve the quality of care.

## **Reduces waste, fraud and abuse:**

- The law cracks down on waste, fraud and abuse in Medicare and the health care system as a whole. It cuts inefficient care and reduces overpayments to insurance companies.
- To guard against fraud, the law also protects the privacy of your personal information.

## **Improves long-term care services and information:**

- Starting in 2011, consumers will have more information about nursing home inspections, complaints against facilities, and consumer rights. This information will help you make decisions when selecting a nursing home.
- Your state may receive more funds to expand home and community-based services. For example, under the Community First Choice Option, participating states would get more federal dollars to provide certain home and community-based services to certain people with disabilities who live at home but need an institutional level of care. These changes begin in 2011.
- A new voluntary long-term care insurance program – called CLASS – will be available to you if you are working. This program will help you pay for some of your future long-term care services. You will receive a cash benefit if you have a qualifying disability, have paid into the program for at least five years, worked at least three of those initial five years, and meet other eligibility requirements. If your employer participates in the program, you will be enrolled automatically unless you choose to opt out. You

will also be able to buy this insurance if your employer doesn't participate, if you are self-employed, or have more than one employer. This program is likely to start in 2012 or 2013.

- Starting in 2014, the law extends financial protections to more spouses of people on Medicaid. If you're married to someone on Medicaid who gets long-term care services at home, you will have the same protections for your income and other resources as you would if your spouse lived in a nursing home.

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