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AARP Endorses Affordable Health Care for America Act
Legislation would keep Medicare strong, ensure access to doctors, lower drug costs for those in the “doughnut hole” and offer affordable coverage for people 50-64

(Columbia)— AARP today endorsed the Affordable Health Care for America Act (H.R. 3962) and the accompanying Medicare physician payment fix (H.R. 3961), saying that the proposals would keep Medicare strong, ensure South Carolinians 65+ can see their doctors, end insurer discrimination against older Americans, and help make health coverage more affordable for South Carolinians age 50 to 64.

“AARP started this conversation more than two years ago with the twin goals of making coverage affordable to our younger members and protecting Medicare for seniors,” said Jim Love, AARP South Carolina spokesperson. “In fact advocating for quality, affordable health care has been a part of AARP’s DNA since its founding 51 years ago.”

The Association’s support follows nearly two years of work with lawmakers on both sides of the aisle to craft a health care reform plan that meets the needs of AARP’s nearly 40 million members and all older Americans. Among those needs are reforms that strictly curb insurance companies’ discrimination against older Americans and Medicare improvements that strengthen benefits while protecting the program for future generations.

Today’s endorsement marks the first time in this legislative battle that AARP has put its full weight behind a comprehensive health care reform package. In the coming days, AARP will be educating its members about the health care reform package through its publications, paid advertising and more than five million calls and e-mails to its grassroots activists.

“AARP policy experts have read the Affordable Health Care for America Act and say with confidence that it meets those goals with improved benefits for people in Medicare and needed health insurance market reforms to help ensure every American can purchase affordable health coverage,” Love said.

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The Affordable Health Care for America Act and the Medicare Physician Payment Reform Act contain critical components AARP has been fighting for on behalf of its members and all older Americans to improve health care for them and their families.

They include:

- **Protect and strengthen Medicare** for today's seniors and future generations.
- **Ensure seniors can see the doctor of their choice** and receive needed treatment by improving Medicare's payments to doctors. If Congress does not take action, physicians nationwide will see a 21-percent reduction in Medicare reimbursements in January 2010.
- **Lower sky-high drug costs** for seniors by allowing the government to negotiate with drug companies for lower drug prices in Medicare; provide strong, immediate discounts on name-brand prescription drugs for those in the Medicare Part D "doughnut hole," and close the Medicare Part D "doughnut hole" completely over time.
- **Reduce waste, inefficiency, fraud and abuse in the Medicare program.** H.R. 3962 increases federal resources to find and prosecute Medicare fraudsters and provides new penalties.
- **Provide affordable health insurance options for South Carolinians age 50-64** that don't have health coverage. An estimated 117,000 South Carolinians in this age group lack health coverage.
- **Require Medicare and insurance companies to provide for important preventive services** like screenings for diabetes, cancer and osteoporosis free of charge.
- **Prevent insurers from denying affordable coverage** to anyone because of their age or because of "pre-existing conditions." The legislation allows insurers to charge older South Carolina residents no more than twice as much as younger people for the same coverage. Current law allows insurers to charge seniors seven times as much.
- **Limit how much your health insurance company can make you pay out-of-pocket.**
- **Provide benefits to help seniors and people with disabilities** live in their own homes and communities.

"We cannot continue to let insurers price older Americans out of the market, just as we cannot stand idle while millions of seniors are forced to choose between their groceries and their prescriptions, he said."

AARP is a nonprofit, nonpartisan membership organization that helps people 50+ have independence, choice and control in ways that are beneficial and affordable to them and society as a whole. AARP does not endorse candidates for public office or make contributions to either political campaigns or candidates. We produce AARP The Magazine, the definitive voice for 50+ Americans and the world's largest-circulation magazine with over 35.5 million readers; AARP Bulletin, the go-to news source for AARP's nearly 40 million members and Americans 50+; AARP Segunda Juventud, the only bilingual U.S. publication dedicated exclusively to the 50+ Hispanic community;

and our website, AARP.org. AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. We have staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

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How the House Health Care Reform Bill Will Help Older Americans in South Carolina

South Carolina has a significant older population who will benefit from key provisions in the House bill. 13.5% of the population is age 65 or older and 18.1% is age 50-64.

The House Bill Will Strengthen and Improve the Medicare Program

Medicare is a sacred promise that was made to seniors – because no one should be left to struggle with medical bills after a lifetime of hard work. 712,000 people in South Carolina depend on Medicare for stable, affordable health care. And yet, because of skyrocketing health care costs and our current economic crisis, the program’s gaps are becoming more apparent.

The House bill:

- protects traditional Medicare benefits for seniors and makes Medicare more financially sound so it is there for future generations;
- prevents a major cut in physician payments and improves payments for primary care so that older Americans in South Carolina can keep the doctor of their choice or more easily find a doctor if they don’t have one;
- improves Medicare’s drug coverage;
- requires Medicare to provide important preventive services like screenings for diabetes, cancer and osteoporosis free of charge;
- improves coordination of care for people with chronic health conditions; and
- begins a new program that provides benefits to help older Americans and people with disabilities stay in their own homes and communities.

The House Bill Will Help Older Americans Struggling with the High Cost of Prescription Drugs

Today, people in Medicare spend about 30 percent of their incomes, on average, on out-of-pocket health costs – including premiums for supplemental coverage. These costs are six times greater than for people with employer coverage. Skyrocketing drug costs are a particular problem for people in Medicare. In 2007, 30% of the Medicare beneficiaries in South Carolina fell into the Part D “doughnut hole,” or coverage gap, which meant that they had to pay the entire cost of their medication and their premiums.

The House bill:

- reduces brand name drug costs by 50 percent for enrollees in the doughnut hole; and
- takes immediate steps to eliminate the doughnut hole entirely by 2019, starting with an additional \$500 of coverage in 2010.

This could add up to savings of over \$2,000 next year for South Carolinians with high drug spending and, eventually, savings of more than \$3,400 per enrollee per year, as they will no longer have to worry about hitting the doughnut hole.

The House Bill Will Make Coverage More Affordable for South Carolinians, Age 50-64

As the baby boomers age, the ranks of people without health insurance age 50 to 64 are soaring. South Carolina has 117,000 people age 50-64 who are uninsured and another 68,000 people in that age group who buy coverage in the individual market. There are many barriers standing in the way of Americans ages 50 to 64 finding affordable, quality health care coverage. Although more than half of uninsured Americans in this age group work, they may not be able to get insurance through their employer because they work for a small business that doesn't offer insurance; they are self-employed and can't buy or can't afford coverage in the individual market; they are ineligible for benefits because they work part time; or they can't afford coverage that is offered at work. Those without employer-sponsored coverage are forced to try to find affordable coverage. Yet people in this age group are more likely to have a pre-existing condition and, thus, are routinely denied individual insurance in the private market. And those that can get coverage end up paying three times more in premiums and twice as much in out-of-pocket costs than a person with job-based coverage.

The longer people in this age group go without insurance, the more likely they'll enter Medicare with health problems. This will place a greater financial burden on Medicare and undermine the program's ability to provide coverage for our children and grandchildren when they're ready to retire.

The House bill:

- creates new rules for insurance companies so that they can no longer discriminate against people who are sick and can no longer charge unaffordable rates based on age; and
- provides people with help purchasing coverage.

In the House bill, insurance companies will be held accountable and the bill will remove barriers to high quality, affordable care. Insurance plans will have to cover care – even when people get sick.

- In South Carolina, insurance companies have no limits on how much they can charge older people for coverage in the individual market. The House bill would make important strides to limit this practice by preventing insurers from charging *no more than twice* what younger people pay for the same health insurance.

As many as 459,000 people age 50-64 in South Carolina may be eligible for subsidies that help make premiums affordable. Lower income South Carolinians would qualify for even more protection from unaffordable health care costs.

The House Bill Increases Access to Long-Term Services and Supports at Home

As many as 120,734 South Carolinians currently have a disability and need greater access to long-term services and supports (LTSS).

The Community Living Assistance Services and Supports (CLASS) provision in the House bill:

- creates a new national voluntary public insurance program that could help future generations of disabled South Carolinians pay for the LTSS they need to remain independent in their home and community;
- provides a cash benefit (averaging \$50/day) for eligible disabled participants; and
- benefits may be used to pay family caregivers.

Participation in CLASS is through automatic monthly payroll deductions, although those who choose not to participate may opt-out. There is a 5-year vesting period. There is no underwriting requirement to participate and no lifetime limit on the benefits that participants may receive.

South Carolina House Health Care Reform Bill Sources and Notes

Sources

U.S. Census Bureau. Current Population Survey, Annual Social and Economic Supplement, 2007 through 2009

_____. Population Division, State Single Year of Age and Sex Population Estimates: April 1, 2000 to July 1, 2008 – South Carolinians

_____. 2008 American Community Survey 1-Year Estimates, Table C18106. SEX BY AGE BY SELF-CARE DIFFICULTY

Georgetown University/NORC/Kaiser Family Foundation analysis of IMS Health LRx database, 2007

The Kaiser Family Foundation, State Health Facts: Managed Care and Health Insurance. Individual Market Rate Restrictions, 2008 and various states.

Notes:

Rating Restrictions: In many states, premiums for individual (or small group) health insurance vary based on health status and other demographic factors, such as age, gender, geography, and family size. Rating restrictions limit the extent to which insurers can vary based on health status. **Community rating** (pure or adjusted) - prohibits rating based on health status in the individual (or small group) market. (1) **Pure** - premiums cannot vary by age or gender, (2) **Adjusted** - premiums can be adjusted for certain demographic factors.

Health Status Rate Bands - Limits the amount by which premiums can vary due to health status. There may also be additional rate bans for other allowed rating factors.