



Health Care Reform Will Help Seniors in Massachusetts

HEALTH CARE REFORM LOWERS THE COST OF PRESCRIPTION DRUGS

Approximately 6 million seniors - 7,400 of whom live in the Fifth District - currently fall into the Medicare 'donut hole', the gap in which prescription drugs are not covered. This bill ensures those seniors will see that gap in coverage completely closed over time, saving seniors in the Commonwealth \$1.6 billion in drug costs.

Seniors who fall into the donut hole this year will see a \$250 check in the mail this September to help pay for their drug costs, which will provide temporary relief.

Beginning in 2011, seniors who fall into the donut hole will be able to buy brand-name drugs at a 50% discount.

This bill phases in additional discounts for brand-name and generic drugs to close the donut hole completely by 2020.

HEALTH CARE REFORM ENSURES THAT SENIORS GET FREE PREVENTIVE SERVICES

Health care reform eliminates out-of-pocket expenses (including co-pays and deductibles) for seniors on Medicare who access preventive services like checkups, mammograms, vaccinations, etc. This means that seniors on Medicare will be able to access preventive services for free. Eventually, all private plans will have to cover preventive services for free as well, which means seniors who are not yet on Medicare will also be able to benefit from this change.

HEALTH CARE REFORM WILL EXTEND HEALTH INSURANCE TO MORE EARLY RETIREES

The bill establishes a temporary reinsurance program to provide reimbursement to employers for part of the cost of providing health benefits to early retirees (age 55-64) and their families. This means that an employer will get financial help to continue offering health care coverage to their employees who retire early, and who are not yet eligible for Medicare coverage. Since older populations find premiums to be more expensive than their younger counterparts, this will help seniors access affordable health care coverage. The program reimburses participating employment-based plans for 80 percent of the cost of benefits provided per enrollee in excess of \$15,000 and below \$90,000.

HEALTH REFORM WILL ELIMINATE HARMFUL INSURANCE INDUSTRY PRACTICES THAT HURT SENIORS THE MOST

PROHIBITS PREEXISTING CONDITION EXCLUSIONS OR OTHER DISCRIMINATION BASED ON HEALTH STATUS.

This bill ensures that no group health plan or insurer offering group or individual coverage may impose any pre-existing condition exclusion or discriminate against those who have been sick in the past, or because of health status, medical condition, claims experience, receipt of health care, medical history, genetic information, and evidence of insurability – including acts of domestic violence or disability. This provision is especially important for seniors because most seniors *do* have medical conditions and a history of treatments that insurers are currently allowed to consider “pre-existing conditions” and that they can use to deny coverage. This only gets worse as a person gets older, and accumulates a more extensive medical history. This bill ensures that insurers can never do that again.

PROHIBITS ANNUAL AND LIFETIME LIMITS ON COVERAGE BY ALL HEALTH PLANS. This bill prohibits insurers from denying coverage after a certain pre-determined “cap” on benefits has been exhausted.

PROHIBITS RECISSIONS. This bill prohibits insurers from refusing to renew coverage or revoking coverage arbitrarily, including when an individual makes a claim.

HEALTH CARE REFORM CREATES A VOLUNTARY LONG-TERM INSURANCE PROGRAM

Long-term supports and services are not affordable or accessible for millions of Americans. An estimated 65 percent of those who are 65 today will spend some time at home in need of long-term care services, at an average cost of \$18,000 per year. A disproportionately large proportion of those seniors are older women.

The **Community Living Assistance Services and Supports (CLASS) program** is a voluntary, self-funded insurance program with enrollment for people who are currently employed. Affordable premiums will be paid through payroll deductions if an individual’s employer decides to participate in the program. Participation by workers is entirely voluntary.

The CLASS program will provide a lifetime cash benefit that offers people with disabilities some protection against the costs of paying for long term services and supports, and helps them remain in their homes and communities.

Individuals qualify to receive benefits when they need help with certain activities of daily living, have paid premiums for five years, and have worked at least three of those five years.

Beneficiaries receive a lifetime cash benefit based on the degree of impairment, which is expected to average roughly \$75 a day or more than \$27,000 per year. Benefits can be used to maintain independence at home or in the community, and should be sufficient to cover typical costs of home care services or adult day care. Benefits also can be used to offset the costs of assistive living and nursing home care.

All CLASS benefits are paid by voluntary participants, not taxpayers.

These provisions earned this legislation endorsements from the AARP, the American Association of Homes and Services for the Aging, the Alliance for Retired Americans, the Center for Medicare Advocacy, Inc., the American Nurses Association, the American Hospital Association, and many others.

Immediate Benefits of Health Care Reform

FOR SENIORS

- 1. BEGINS TO CLOSE THE MEDICARE PART D DONUT HOLE**—Provides a \$250 rebate to Medicare beneficiaries who hit the donut hole in 2010. *Effective September 2010.* (Beginning in 2011, institutes a 50% discount on brand-name drugs in the donut hole; also completely closes the donut hole by 2020.)
- 2. FREE PREVENTIVE CARE UNDER MEDICARE**—Eliminates co-payments for preventive services and exempts preventive services from deductibles under the Medicare program. *Effective beginning January 1, 2011.*
- 3. HELP FOR EARLY RETIREES**—Creates a temporary re-insurance program (until the Exchanges are available) to help offset the costs of expensive health claims for employers that provide health benefits for retirees age 55-64. *Effective 90 days after enactment*
- 4. CREATES NEW, VOLUNTARY, PUBLIC LONG-TERM CARE INSURANCE PROGRAM**—Creates a long-term care insurance program to be financed by voluntary payroll deductions to provide benefits to adults who become functionally disabled. *Effective on January 1, 2011.*