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Health Care Reform: What It Means for Seniors

Our health care system in the United States has become the most expensive in the world, while producing poorer health outcomes than comparable industrialized nations. President Obama and Congress have embarked on an ambitious effort to overhaul this system. Their goal is to allow Americans to keep their current coverage if they are happy with it, while improving quality and keeping costs affordable.

Seniors have a tremendous stake in the outcome of this effort, but the many of the proposals can be complex and difficult to track. The impact of these proposals will ultimately depend on the details of technical drafting, but below is an overview of key provisions from the bills currently under consideration, with a brief explanation of what Medicare and its beneficiaries stand to gain or lose if they are enacted as intended.

How You could Benefit from Reform	How You could Lose under Reform
If the growth of health care costs is slowed, <i>your out-of-pocket Medicare costs would grow slower</i> than they would absent reform, leaving you more income to pay for other necessities.	If the growth of health care costs is NOT successfully slowed, <i>your out-of-pocket Medicare costs would grow even faster than before</i> , as insurance coverage expands. The federal government would inevitably try to <i>cut Medicare</i> as costs are unsustainable.
The “ <i>doughnut hole</i> ” for prescription drug coverage, which leaves you responsible for 100% of the cost of drugs between \$2,700 and \$6,100 of annual drug expenses even though you continue to pay premiums, <i>could be closed</i> over time.	Those with higher incomes <i>could be required to pay higher premiums for drug coverage</i> .
Prices for brand-named drugs you buy while in the doughnut hole could be <i>cut by one-half</i> . And because the entire value of these drugs will continue to count as an out-of-pocket cost, you could <i>get through the doughnut hole and into catastrophic coverage more quickly</i> (leaving you with only a 5 percent co-payment under catastrophic coverage).	To discourage wastefulness, <i>you could face higher outpatient deductibles</i> and lose the ability to purchase “first-dollar” Medigap policies that can spare you out-of-pocket expenses.

Seniors in traditional Medicare could <i>stop subsidizing those in Medicare Advantage plans.</i> Seniors in Medicare Advantage plans could <i>no longer pay higher costs for expensive services</i> such as chemotherapy and home health care.	Reduced subsidies to managed care or Medicare Advantage plans could prompt <i>some plans to leave the market and others to cut some benefits.</i>
You could obtain <i>preventive services without paying anything out-of-pocket.</i>	Older people (younger than age 65) could <i>pay higher premiums than younger people</i> because age-based variations will be sanctioned by the federal government.
You could <i>qualify for drug subsidies</i> with more assets than current recipients are allowed.	If the cuts to Medicare providers are too deep, <i>it could become harder to find providers that will accept Medicare patients,</i> especially if you are looking for a nursing home or receiving home health services.
<i>Income from the sale of your primary residence could be excluded</i> from determination of whether you pay higher means-tested premiums for Part B outpatient coverage.	
<i>Premiums could be reduced</i> for seniors who enroll in wellness or disease-management programs.	
Your annual out-of-pocket costs <i>could be capped.</i>	
<i>Payments to primary-care doctors could be increased,</i> paving the way for them to play a larger role in your care.	
If you are disabled, insurers could be <i>required to sell you Medigap coverage.</i>	
You could more easily <i>finance long-term care coverage</i> through a voluntary, national insurance program.	
If you are nearing retirement age, you could have access to <i>more affordable coverage.</i> Existing Medicare beneficiaries could also benefit as <i>costs for those entering the Medicare program become lower.</i>	