



## The Affordable Care Act: What it Means for Illinois Seniors

The Affordable Care Act (ACA) – Obamacare – has already helped millions of Americans, from the 3.1 million young adults enrolled in a parent's health plan (including the 125,000 young adults in Illinois who have gained insurance since June 2011) to the 6.6 million people with Medicare who were able to save \$7 billion on their medications. Early retirees and seniors on Medicare can count on the ACA to ensure that they will continue to have access to their doctors and hospitals. The ACA makes Medicare stronger so that it will continue to protect seniors and their families from financial devastation due to illness or accident.

The solvency of the Medicare Trust Fund is extended to at least 2026, thanks to the ACA. Early retirees, who are not yet eligible for Medicare, also benefit from the ACA. They will no longer be at the mercy of insurance companies who want to deny coverage because of a pre-existing medical condition, or cancel coverage if one gets sick. This fact sheet highlights some of the ways the health care law is helping seniors in Illinois today.

**Strengthening Medicare by Saving Seniors Money on Prescription Drugs.** More than 6.6 million seniors and people with disabilities have saved a total of \$7 billion on prescription drugs thanks to the ACA's required discounts on brand-name prescription drugs and generics. In 2012 alone, some 134,000 individuals in Illinois saved over \$96 million on their medications. Since the law's enactment, Medicare beneficiaries in Illinois have saved \$272 million on their medications. Half of all people on Medicare have annual incomes below \$22,000, so these savings are significant and mean seniors can keep getting the medicines they need. The savings will be even higher in the future, when the coverage gap for Medicare prescription drugs – known as the donut hole – is completely closed by 2021.

**Improving Medicare by Saving Lives with Free Preventive Services.** Before the ACA, many seniors did not receive recommended preventive and primary care because Medicare co-pays meant significant out-of-pocket costs. Because of the health care law, Medicare beneficiaries no longer have to pay for recommended preventive services. For example, the law eliminated Medicare co-payments and deductibles for mammograms, bone mass measurement, prostate cancer screenings, cholesterol and cardiovascular disease screenings, colonoscopies and key immunizations. The law also added a new annual wellness visit at no cost to beneficiaries. In 2012 alone, these new Medicare benefits have already helped more than 34 million beneficiaries. Roughly 1.2 million Illinois Medicare beneficiaries used one or more free preventive services in 2012.



**Fighting Fraud – Tools to Protect Taxpayer and Medicare Dollars.** The ACA created new tools to prevent, detect and fight back against fraud in Medicare and in other public health insurance programs. The government has recovered a record-breaking \$14.9 billion in health care fraud over the last four years. If you suspect errors, fraud, or abuse, or medical identity theft when you use Medicare, you can report it to the Health and Human Services (HHS) Office of the Inspector General at 800-447-8477.

**Protecting Medicare by Improving Access to Primary Care and Providing Incentives for Better Care.** The ACA will help address the shortage of primary care doctors by granting 10% bonuses for Medicare primary care providers. Also, new training funds will add 15,000 primary care providers by 2015. The ACA invests in care coordination too, such as pilot projects that encourage hospitals to give discharged patients appropriate follow-up care to reduce preventable, costly readmissions. As a result, there were roughly 70,000 fewer readmissions in 2012 – translating to cost-savings for Medicare and better health outcomes for seniors.

**Strengthening Medicare by Improving Benefits and Accountability in Medicare Advantage.** Part of Medicare's increasing costs (and the cost of seniors' premiums) comes from extra subsidies to private insurance companies under the Medicare Advantage (MA) program. MA allows beneficiaries to receive their health care services through private insurance plans instead of regular Medicare. In 2011, Medicare overpaid these private plans on average \$1.10 for every \$1 worth of services under regular Medicare, even though there's no evidence the extra payment leads to better quality for Medicare beneficiaries. The ACA gradually reduces these overpayments. Those who oppose the ACA have tried to scare seniors by saying these changes are cuts to Medicare. Independent fact-checkers have called these statements false.

For those who are in private MA plans, the new law prohibits these private insurers from charging higher co-payments than traditional government-administered Medicare. Beginning in 2014, it requires that MA plans spend at least 85% of collected premiums on benefits rather than on company profits, CEO pay and administration.

**Helping Early Retirees Keep Coverage.** The Early Retiree Reinsurance Program established by the ACA has helped employers and plans – such as the Board of Trustees of the County Employees' and Officers' Annuity and Benefit Fund, City of Chicago, and Lake County – continue to provide health insurance to their early retirees (pre-Medicare individuals age 55 to 64) by reimbursing plans for costly medical claims. From 2010 to 2012, the program provided nearly \$5 billion in payments to more than 2,800 employment-based health plan sponsors who cover millions of early retirees.

Early retirees are also helped by the ACA's prohibition on lifetime dollar limits on benefits, which have been common in many health plans. While some large employer plans already provided coverage with no limits on lifetime benefits, approximately 70 million persons in these