

HEALTH REFORM: many on medicare already enjoying benefits

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But new preventive services and a closing of 'donut hole' aim to reshape the senior program.

(HealthDay)—The Affordable Care Act will help millions of uninsured Americans get health coverage. But is it good for people on Medicare?

It depends on whom you ask.

Two-and-a-half years after the law was passed, pundits remain divided over its impact on [older adults](#) and the overall fiscal [health](#) of Medicare, the government-run [health insurance program](#) that currently serves roughly 50 million Americans.

Amid the rhetoric, many seniors fail to grasp how the [health-reform](#) law affects them.

"The reality is that there's a lot of confusion about what it does and how it does it," said Andrea Callow, policy attorney in the Center for Medicare Advocacy's Washington, D.C., office.

For adults on Medicare, the most beneficial elements of health reform are already taking effect, advocates say.

Joe Baker, president of the Medicare Rights Center, in New York City, which helps people on Medicare and their caregivers understand their options, counts the closing of the "donut hole" in Medicare's prescription drug benefit and the addition of free [preventive care](#) among the most beneficial parts of the law.

"These two things have really modernized the Medicare program and really provided better coverage and more comprehensive coverage for people with Medicare," he said.

Before health reform, seniors paid 100 percent of their drug costs while they were in the so-called donut hole, a temporary but extremely unpopular gap in Part D, Medicare's prescription drug benefit.

The gap is a problem for seniors who have very high drug expenses. In 2014, seniors will pay \$3,605 in donut hole expenses before their Part D coverage resumes.

The Affordable Care Act slowly erases the gap so that, by 2020, beneficiaries' share of the cost of covered drugs will drop to 25 percent—the same as a typical copay in a standard [health plan](#). At the same time, drugmakers and the federal government are picking up an increasing share of the cost.

"It's making a big difference for a swath of beneficiaries who get into the donut hole and have had some problems affording their drugs," Baker said.

At last count, more than 6.6 million Medicare beneficiaries have saved more than \$7 billion on prescription drugs since the enactment of the Affordable Care Act in 2010, the U.S. Centers for Medicare and Medicaid Services reported in July.

But Robert Moffit, a senior fellow at The Heritage Foundation, a prominent conservative think tank in Washington, D.C., said enriching the drug benefit will ultimately increase premium costs to seniors.

"There's no such thing, even in Medicare, as something for nothing," Moffit said.

So far, however, premiums have remained fairly stable, federal health officials report. The average

Part D premium for a basic plan is projected to rise to \$31 in 2014, up from \$30 the past three years, according to data released in July.

Free screenings, wellness visits

Seniors are also getting new preventive health benefits as a result of the health-reform law. As of 2011, most preventive services—including mammograms, prostate cancer screenings, colorectal cancer screenings and vaccinations—are now free of charge.

Medicare patients are also entitled to a free annual "wellness visit"—a chance to work with their doctors on developing a personalized plan for staying healthy and preventing disease. The free visit, which has been available since 2011, does not include any treatment or follow-up care that your doctor may provide.

Use of preventive services such as screenings and wellness visits has increased among people with Medicare coverage, the U.S. Centers for Medicare and Medicaid Services reports. In 2012, an estimated 34.1 million people benefited from Medicare coverage of preventive care with no cost-sharing. And in the first six months of 2013, 16.5 million people with traditional Medicare took advantage of at least one free preventive service.

Even though seniors are seeing lower costs at the pharmacy and saving on preventive health services, they may not know it because "they're not tying it in with the ACA (Affordable Care Act)," attorney Callow said.

Health reform doesn't just tweak existing benefits. It's also a potential source for innovations that may yield better patient care, advocates say.

One model that's under scrutiny—the so-called accountable care organization—brings together hospitals, doctors and other health-care providers as a team. The "ACO" takes responsibility for coordinating care; preventing medical errors; reducing unnecessary services, such as hospital readmissions; and, hopefully, slowing Medicare spending.

Some see innovations, cost savings; others see potential problems

Few Medicare patients know about accountable care organizations or whether they're even in one, said the Medicare Rights Center's Baker. The center encourages people to read letters they receive from their doctors describing the concept and to take advantage of benefits that might be offered to them.

"We'll see how it plays out over the longer term, but certainly the promise of accountable care organizations is that they'll be providers in the driver's seat better managing and coordinating care, particularly for those with chronic or multiple health issues," he said.

But some "Obamacare" critics see the Affordable Care Act as a train wreck in the making.

Some of the worst provisions don't affect seniors directly but could harm access to health care services, they say. For example, the law slows payment increases to Medicare providers, including hospitals, nursing homes, home health agencies and hospices. It also creates an Independent Payment Advisory Board to identify ways to slow growth in Medicare spending should per-person spending exceed a specified target.

As health reform plays out, seniors may want to take matters into their own hands. With open enrollment beginning on Oct. 15, it's a good time for Medicare beneficiaries to take a closer look at what they're getting for the money and whether it makes sense to change health plans or drug coverage.

"We're hoping with all the press surrounding the ACA and all of the noise about health insurance that seniors will be encouraged to take a look at their Medicare coverage," Callow said.

More information: AARP has more on [how health reform affects Medicare](#).

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