



Leadership Council of Aging Organizations

Barbara B. Kennelly, Chair

March 21, 2011

United States Senate
Washington, DC 20510

Dear Senator:

The Leadership Council of Aging Organizations, a coalition of national not-for-profits, marks the one-year anniversary of the Affordable Care Act (ACA) and the improvements that it makes in the lives of the nearly 60 million older Americans we represent.

Much has been said and written about two critical Medicare improvements in the new law: reducing prescription drug costs by gradually closing the coverage gap or “doughnut hole” and providing a range of preventive benefits – eliminating cost sharing for such services as mammograms and diabetes and osteoporosis screenings. Over three million people who entered the doughnut hole have already received a \$250 rebate. In 2011, people with Medicare who enter the doughnut hole will receive a 50 percent discount on brand-name drugs. The share of costs people with Medicare will be required to pay during this gap in coverage will continue to decrease over the next decade, and by 2020, the doughnut hole will be phased out completely.

But there are many other important accomplishments achieved in the ACA that are not as well known yet, and which must be preserved, including:

- New home care options such as the CLASS program and investments in the Medicaid Community First Choice Option that will permit older Americans to avoid or delay placement in expensive nursing homes, receive care in the environment that they choose, and stay in their communities. Both CLASS and Medicaid support for long-term services and supports are important because Medicare does not cover long-term care and private insurance has not and cannot address the growing need. In addition, numerous new provisions are included to improve nursing home quality, as well as provisions from the Elder Justice Act to protect against the growing problem of elder abuse and neglect.
- Improved care coordination for people with Medicare and Medicaid who suffer from chronic conditions. About 80 percent of Medicare beneficiaries have at least one chronic condition such as high blood pressure, heart disease, or diabetes.
- A new, free annual wellness visit, which Medicare has never covered before, that includes the development of a prevention plan to keep people with Medicare healthy.

- Improved patient access to primary care doctors (general practitioners), as well as improved training for health care workers who care for Medicare beneficiaries.
- Investments in the geriatric workforce such as increased funding to geriatric education centers to support training in geriatrics, chronic care management, and long-term care as well as the development of best practices.
- Investments in prevention, wellness and public health.

It is also important to bear in mind that the ACA strengthens the Medicare program's financial outlook by extending the Medicare trust fund for 12 years. This is accomplished through targeted, responsible savings that would reduce the per person rate of growth in the program over the next ten years from 6.8 percent to 5.5 percent – with no reduction in guaranteed benefits or increases in cost-sharing.¹ For example, the ACA achieves savings to Medicare by reducing overpayments to private insurance Medicare Advantage plans – which, on average, had been paid 13 percent more than under the traditional program. These extra subsidies increased Medicare Part B premiums for all Medicare beneficiaries.

Savings are also generated by cracking down on Medicare fraud. The law enhances the tools available to the Department of Health and Human Services and the Department of Justice to prevent fraud before it happens rather than using pay and chase methods, which have left Medicare responsible for billions of dollars in improper claims. Even more savings may be realized from reforms to the health care delivery system - the ACA improves quality while also increasing efficiency by emphasizing prevention, the better use of health information technology and electronic health records, and better care coordination².

In addition, for those not yet Medicare eligible, the ACA creates the Early Retiree Reinsurance Program, which has been in place since August 2010 and offers assistance to companies, unions and states to help them provide health benefits to retirees aged 55 and older. As of fall 2010, over 3,500 organizations are participating in the program.

Finally, starting in 2014, an estimated 32 million uninsured Americans will have access to insurance through health exchanges and expanded Medicaid. This includes those aged 55 and older, a population that faces significant financial hurdles in obtaining health care on the individual market. The law also protects families; no longer will parents and grandparents need to worry about how they, their children and grandchildren will obtain health coverage, even if they are facing unemployment.

¹ David M. Cutler, Karen Davis, and Kristof Stremikis, The Commonwealth and The Center for American Progress, "The Impact of Health Reform on Health System Spending," May 2010. Available at http://www.commonwealthfund.org/~media/Files/Publications/Issue%20Brief/2010/May/1405_Cutler_impact_hlt_reform_on_hlt_sys_spending_ib_v4.pdf.

² Anne Kim and David Kendall, Third Way, May 2010, "Bending the Curve: 12 Ways the New Health Care Law Will Tackle Runaway Costs." Available at <http://www.thirdway.org/publications/222>.

Please work to preserve and support the Affordable Care Act. The law represents a giant leap forward in ensuring that all people have access to quality, affordable health care in the United States.

Sincerely,

AARP
AFL-CIO
AFSCME Retirees
Alliance for Aging Research
Alliance for Retired Americans
Alzheimer's Foundation of America
American Association for International Aging
American Postal Workers Union (APWU) Retirees
American Society on Aging
Association of Jewish Aging Services
B'nai B'rith International
Catholic Health Association of the United States
Center for Medicare Advocacy
Easter Seals
Families USA
International Union, United Automobile, Aerospace &
Agricultural Implement Workers of America, (UAW)
LeadingAge
Lutheran Services in America
Medicare Rights Center
National Academy of Elder Law Attorneys
National Alliance for Caregiving
National Association of Area Agencies on Aging
National Association of Nutrition and Aging Services Programs (NANASP)
National Association of Professional Geriatric Care Managers
National Association of Social Workers
National Association of State Long-Term Care Ombudsman Programs
National Caucus and Center on Black Aged, Inc.
National Committee to Preserve Social Security and Medicare
The National Consumer Voice for Quality Long-Term Care
National Council on Aging
National Hispanic Council on Aging
National Osteoporosis Foundation
National Senior Citizens Law Center
OWL, The Voice of Midlife and Older Women
PHI – Quality Care through Quality Jobs
Service Employees International Union
Services and Advocacy for Gay, Lesbian, Bisexual & Transgender Elders (SAGE)
Visiting Nurse Associations of America
Volunteers of America
Wider Opportunities for Women