California Alliance for Retired Americans®

THE AFFORDABLE CARE ACT AND ITS IMPACT ON MEDICARE BENEFICIARIES IN CALIFORNIA

The Affordable Care Act (ACA),signed into law on March 23, 2010, aims to provide greater access to health care coverage, improve the quality of services delivered and reduce the rate of increase in health spending. The ACA provides new ways to help hospitals, doctors and other health care providers to coordinate care for beneficiaries so that health care quality is improved and unnecessary spending reduced.

For Medicare beneficiaries, **NOTHING IS GOING TO CHANGE** about the way you receive your Medicare benefits or the way you choose your supplemental coverage. There will still be an open enrollment period sometime in late October – December when you can choose to change your supplemental coverage providers – but if you are happy with your coverage, you don't need to do anything. You will not need to go to the California Insurance Exchange – Covered California for your coverage – this exchange is for those not covered by Medicare or Medi-Cal. If you have questions about your coverage, and the plan choices available to you during open enrollment, call the HiCAP office in your county. Toll free number is 800-434-0222.

For those on **BOTH** Medicare and Medi-Cal, the ACA will impact you. Starting with 8 counties in California, those on both of these programs will asked to enroll in *an approved* managed care plan in your county to coordinate both your medical and social services. This program is slated to begin in April 2014 and consumers will be contacted in early 2014 to outline your options.

Other Changes in the ACA that impact Medicare beneficiaries:

1. **Medicare Benefits Expanded**
   - Under the ACA, Medicare benefits will not be reduced or taken away, but rather are expanding. Medicare beneficiaries will save, on average, about $4,200 over the next 10 years due to lower drug costs, free preventive services and reductions in the growth of health spending. Since passage of the ACA in 2010, more than 6.6 million people with Medicare saved over $7 billion on prescription drugs.
   - Private Medicare Advantage (MA) plans are not going away. Between 2010 and 2012, the number of seniors who joined MA plans increased by 17 percent and premiums fell by 16 percent.

2. **Free Preventive Services and Annual Wellness Visit**
   - Medicare beneficiaries are eligible to receive many preventive services with no out-of pocket costs. These include flu shots, tobacco use cessation counseling, as well as no-cost screenings for cancer, diabetes, and other chronic diseases. Seniors can also get an annual wellness visit so they can talk to their doctor about any health concerns. More than 32.5 million seniors have received at least one of these preventive services with no out-of-pocket costs since 2010. In the first six months of 2013, 16.5 million people with traditional Medicare took advantage of at least one free preventive service.

3. **Lower Medicare Part B Premiums**

- Because successful reforms in the Affordable Care Act are making Medicare more efficient and reducing costs, the Medicare Part B premium for 2012 was $99.90, $6.70 lower than the amount projected, and only a few dollars more than the premium that most beneficiaries had been paying. In addition, the Part B annual deductible decreased by $22 to $140, the first time in Medicare's history when the deductible was lower than the previous year. The 2013 Part B monthly premium – $104.90 – is also lower than previously projected by the Medicare trustees.

4. **Lower-Cost Prescription Drugs**

- For the Medicare Part D prescription drug program, Medicare beneficiaries who fall into the coverage gap, known as the "donut hole," automatically receive a discount on prescription drugs. Each year, beneficiaries pay a reduced cost for brand name and generic drugs in the coverage gap. In 2020, the donut hole will be closed.
- In 2013, Medicare beneficiaries in the donut hole will receive a 52.5 percent discount on brand-name drugs and a 21 percent discount on generic drugs. Seniors who reached the donut hole saved, on average, about $1,061 per beneficiary.
- Nearly four million people with Medicare who were in the donut hole in 2010 received a one-time, tax-free $250 rebate from Medicare to help pay for prescription drug costs.

5. **Improvements for Medicare Advantage Plan Members**

- Medicare Advantage plans cannot charge enrollees more than traditional Medicare for chemotherapy administration, skilled nursing home care and other specialized services.
- Starting in 2014, the health care law provides additional protections for Medicare Advantage plan members by taking strong steps that limit the amount these plans spend on administrative costs, insurance company profits and items other than health care to 15 percent of their Medicare payments.

6. **Medicare Fraud, Waste and Abuse**

- The Affordable Care Act includes new resources and tools to protect taxpayer dollars by preventing fraud in Medicare and Medicaid, building on the efforts of the Department of Health and Human Services and the Justice Department. In the last three years, the government recovered over $14.9 billion from individuals and companies seeking fraudulent payments. These efforts have been strengthened by tougher penalties for people who steal from Medicare and more law enforcement to identify criminals abusing the law and beneficiaries.
- Other measures include supporting technology to prevent fraud before it happens. Examples are preventing fraudulent payments from going out in the first place vs. trying to recapture the money and working with the Senior Medicare Patrol program, which educates seniors and their friends and neighbors about how to stop Medicare fraud.

Sources: Kaiser Family Foundation (http://kff.org/interactive/implementation-timeline/); Centers for Medicare and Medicaid Services (www.cms.gov); and the White House (www.whitehouse.gov).

PASC
Personal Assistance Services Council Of Los Angeles County

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Are You on MediCAL and Medicare?
IF YES, You need to know about MediConnect

1) What is Cal MediConnect?

Cal MediConnect brings together and coordinates all the health care and social services that you now get through Medicare and Medi-Cal into one managed care health plan.

2) Where is Cal MediConnect being implemented?

Cal MediConnect is being piloted in eight counties: Alameda, San Mateo, Santa Clara, Los Angeles, Orange, San Diego, Riverside, and San Bernardino

3) When does Cal MediConnect start?

The current start date for Cal MediConnect is April 1, 2014.

4) What Medicare and Medi-Cal Services will Cal MediConnect coordinate?

- ✓ Medicare pays for: doctors, specialists, hospital care, prescriptions, and some durable medical equipment.
- ✓ Medi-Cal pays for: IHSS, adult day health care, MSSP, hearing aids, incontinence supplies, medical equipment, and also pays your Medicare co-payments and deductibles.

5) What are my choices about participating in Cal MediConnect?

1) *Enroll in Cal MediConnect Medicare/Medi-Cal plan that manages your Medicare and Medi-Cal services **OR***
2) *Keep your original Medicare **AND** enroll in an approved Medi-Cal managed care plan for Medi-Cal services.*

6) Will I lose IHSS hours or my IHSS worker if I participate in Cal MediConnect?

No, you do not lose any IHSS hours, you continue to manage your IHSS worker, and have a DPSS social worker.

7) If I want to participate in Cal MediConnect, what are the approved health plans in my county?

The approved plans are specific to each of the eight counties. If you live in one of the eight counties listed above, check www.calduals.org to your local HICAP agency **(800) 824-0780** to identify the plans for your county.

8) Why would I want to participate in Cal MediConnect?

- ✓ To coordinate services from your doctors, specialists, medications, and other services.
- ✓ You have team to coordinate your doctors and pharmacists and all aspects of your care and services.
- ✓ All Cal MediConnect plans will provide dental coverage, eye care, non-emergency medical transportation.

9) Can I keep my doctors if I enroll in Cal MediConnect?

1—Yes, you can keep your doctor if your doctor is a provider in one of these plans;
2—If your doctor is not in one of these plans, you can continue to see your doctor for 6 months. Talk with your doctor about whether he or she will join one of the plans. You can decide not to participate in Cal MediConnect.

10) If I enroll in Cal MediConnect and decide I don't like it, can I get out?

You can get out of Cal MediConnect and return to original Medicare, but you still have to select a Medi-Cal plan.

11) When will I have an opportunity to decide about enrolling or not enrolling?

There will be an open enrollment period in all eight counties but we don't know the dates and other details at this time. If you are in one of the eight pilot counties, check with www.calduals.org or your local HICAP agency for more information on the enrollment plan.

12) What happens if I don't make a choice during the open enrollment period?

If you don't select a plan during open enrollment, the state will enroll you in a Cal MediConnect period. For more details on this, call one of the organizations listed below.

13) How can I get help in making this decision?

Call your local HICAP agency, for help and information: (800) 824-0780

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