

On this day in 1965, President Lyndon B. Johnson signed Medicare into law, the most cost-effective and reliable health insurance program for more than 47 million seniors and younger people with disabilities. Today, the U.S. Department of Health & Human Services released a new public service announcement featuring Andy Griffith celebrating the benefits and improvements made to this important program by the Affordable Care Act. See the new video at www.Medicare.Gov .

Some of the improvements Medicare beneficiaries are beginning to see under the Affordable Care Act include:

- **Thousands in Savings by Closing the Medicare “Donut Hole.”** More than 8 million seniors in 2007 hit the “donut hole,” which is the gap in prescription drug coverage in Medicare Part D. This year, eligible beneficiaries who hit the donut hole will receive a one-time, tax-free \$250 rebate check. Beginning in 2011, the Act institutes a 50 percent discount on brand name drugs in the donut hole, and the Act will close the donut hole for all prescription drugs by 2020.

- **Reduces Unwarranted Subsidies to Insurance Companies.** Today, Medicare pays Medicare Advantage insurance companies over \$1,000 more per person on average than standard Medicare. These additional payments are paid for in part by increased premiums by all Medicare beneficiaries—including the 77% of seniors not enrolled in a Medicare Advantage plan. The Affordable Care Act puts Medicare Advantage plan payments more in line with the costs for the original Medicare program and provides new incentives for health plans that improve quality and enrollee satisfaction in Medicare Advantage plans. Medicare’s guaranteed benefits will be protected, and reducing these unwarranted subsidies will save Medicare more than \$150 billion over 10 years.

- **Strengthens the Financial Health of Medicare.** The Affordable Care Act strengthens Medicare by investing in fighting waste, fraud, and abuse and reforms payments to reduce harmful and unnecessary hospital admissions and health care acquired infections. The law also improves care coordination to improve patient safety and quality of care. Together, these proposals will extend the financial health of Medicare by 9 years.

- **Preventive Care for Better Health.** The new law eliminates deductibles, copayments, and other cost-sharing for most preventive care in Medicare, and provides free annual wellness check-ups starting in 2011. Today, seniors must pay 20 percent of the cost of many preventive

services and office visits.

- **Affordable Long-Term Care.** The law creates a voluntary insurance program, which will provide a cash benefit to help seniors and people with disabilities obtain services and supports that will help them to remain in their homes and communities.

- **Control Chronic Disease.** The Affordable Care Act makes critical investments in innovations that improve the quality of care that seniors receive such as medical homes and care coordination and improves the delivery of care for beneficiaries with one or more chronic conditions.

- **Promotes Better Care After a Hospital Discharge.** The law links payments between hospitals and other care facilities to promote more effective transitional care following discharge from the hospital and encourages investments in hospital discharge planning.

- **Improves Quality of Care.** The Affordable Care Act invests in developing and reporting quality of care measures across all providers to help beneficiaries make more informed choices among providers for the care they may need. The law also creates incentives to reward providers that meet quality goals or show significant progress in improving patient outcomes. This focus on quality improvement will move our health system toward one that rewards better care rather than more care.