



***(NOTE TO STATE OFFICES: Before the presentation you may want to order through Fulfillment or download from the InfoNet, fact sheets that go into more detail on some of the specific provisions of the new law, including a stand alone document which outlines the timeline of key provisions and when they are to be implemented.***

***As appropriate you may customize the presentation to fit the audience and the amount of time allocated for the presentation. You may add or delete slides, or insert additional notes, including those that may provide state specific details, such as numbers of citizens affected or benefited, local plan names, state-specific name for the department that handles Medicaid, local contacts, or personal examples that may resonate with people in your state. At the end of the presentation, we have provided you with templated blank slides that you may use to create this kind of information.***

***This presentation is designed for those who are knowledgeable or who have been trained to address the new health care law, its benefits and implications. The note pages provide bullet points and in some cases more specific suggested language to discuss the various provisions of the new law. However, they are not intended to be a script to be read. Before doing a presentation, staff and volunteers should be very familiar with these note pages, fact sheets, Frequently Asked Questions, and other background material available at [http://infonet/SocialImpact/AdvocDept/Issue\\_HCRImplementation2.htm](http://infonet/SocialImpact/AdvocDept/Issue_HCRImplementation2.htm). Messaging and talking points are continually being updated on this site as new issues arise and as details about new benefits become available.)***

Welcome and Introductions:

Today I want to talk about some of the things you should know about the new health care law, and many of the ways it will benefit you and your families...both right away and in the future.

***In the end , it was all about politics...***

**Left the major sources of health insurance basically the same:**

**Medicare**

**Medicaid**

**Employer**

**Private market**

**Military/Veterans**

## Patient Protection and Affordable Care Act:

Insurance Market Reforms

Improved Access and Affordability

Moves Health Care Delivery and payment toward Prevention and Outcomes.

(Note to Speaker- You do not need to read the mission out loud, it is on this slide as a display and a reference while you give the talking points below)

The mission of making life better for older Americans is in our organization's DNA.

- It's why we fight to protect your Social Security and help police against scams and fraud.
- It's why we fight for retiree and consumer protections in Wall Street reform to crack down on abuses by credit card companies and the mortgage lending industry that have cost too many Americans their jobs, their life savings and their financial well-being.

We understand that people have **strong opinions** about the new health care law. Some believe it should be "repealed and replaced." Others hail it as a landmark legislative act. At the same time, many people tell us that they **are confused** about what is in the new law and aren't sure how it will **personally affect them**.

It's complicated. And a lot of things have been said, including a lot of inaccurate things.

In all the political squabbling, Americans have **heard too little** about what this will mean for them and their families.

So I'd like to talk to you today about some of the key aspects for older Americans.

## For People Who Are on Medicare:

- Guaranteed Medicare benefits protected
- Expands wellness and preventive care coverage

Let's start with Medicare.

- **If you have Medicare** your guaranteed Medicare benefits are protected.
  - This includes doctor and hospital visits, and rehabilitation services
- You will also receive **improved benefits**.
  - For example, improvements to Medicare will lower your out-of-pocket costs for the prescription drugs you need to stay healthy and expand the preventive services you can get for free.
- Prevention just got cheaper. **Free preventive and wellness benefits have been added to Medicare**
  - You can get annual checkups and screening tests that can detect problems at an earlier and treatable stage
  - You won't have any copayment or deductible.
  - Includes colonoscopies, mammograms, and bone density screenings
  - This is in addition to your Welcome to Medicare check up.
  - These additional benefits are effective in **2011**.

## For People Who Are on Medicare:

- Lowers out-of-pocket prescription drug costs

Let's talk about **lowering the cost of prescription drugs**.

- Those of you who are paying thousands of dollars out of your own pocket for medications, your benefits under Medicare Part D will improve.
  - They are phasing out the coverage gap known as the “doughnut hole.”
  - **this year** will automatically receive a **\$250 rebate** to help pay for prescription drugs.
- You won't need to do anything to apply for this rebate. No request, no application, no fees.
- However, you do need to watch out for any scammers who want to “help” you get this money. States around the country are already seeing scammers who are going door-to-door in senior communities trying to sell fake insurance or callers that say because of the new law you need a new Medicare card, then asking for the Medicare number and address to mail the new card...a perfect recipe for identity theft.
- If you reach the doughnut hole **next year**, you will receive a 50 percent discount on brand-name prescription drugs while you are in the coverage gap.
- The gap will gradually shrink until it is eliminated altogether in **2020**. However, everyone on Part D will still have out-of-pocket costs for premiums and drug co-pays .
  
- Starting today, you can use AARP's Doughnut Hole Calculator to find out if or when you will hit the coverage gap and find recommendations for less expensive drugs. It's easy to use and points you to ways to save right now on your drug costs. It's at [www.aarp.org/doughnuthole](http://www.aarp.org/doughnuthole)
  
- Just to give you a quick refresher, the doughnut hole is when people with Medicare Part D coverage reach their initial plan limit, which is \$2830 in 2010.
- This gap in coverage is often called the doughnut hole.
- While people are in the coverage gap they must pay for all their prescriptions out of pocket until their total costs reach \$4,550 (in 2010).
- After that they only have to pay 5% of their prescription drugs for the rest of the year.

## For People Who Are on Medicare:

- Prohibits Medicare Advantage plans from taking away guaranteed Medicare benefits
- Rewards Medicare Advantage plans that provide high quality care
- Limits the amount Medicare Advantage plans can spend on administrative costs

*[Note: You may want to insert the name of the local MA plan if the audience would be more familiar with that terminology]*

- One controversial aspect of the new health law is that it reduces the subsidies Medicare had been paying private insurance companies to treat people in Medicare.
- These extra payments have driven up Medicare premiums for everyone and cost the federal government billions of dollars each year.
- We don't know how the insurance companies that offer Medicare Advantage plans will react to the loss of government subsidies.
- Many experts think they will review the "extra" benefits they provide—just as they do every year—and some may change them.
- What we do know is that they are prohibited by law from taking away guaranteed Medicare benefits promised to all seniors, such as your access to doctors and hospitals.

- **Medicare Advantage plans that provide you with better quality care will receive additional bonus payments.**

- If you have a Medicare Advantage plan, you will need to take a close look at their options during open enrollment to make the best decision for you and your family.
  - This also starts next year in **2011**.

- Medicare Advantage plans must **limit the amount they spend each year on administrative costs.**

- This means plans will be required to spend a higher percentage of their revenues on benefits and services that improve quality of care for their plan participants.
- This starts in **2014**.

## For People Who Are on Medicare:

- Reduces waste, fraud and abuse

- Billions of dollars are lost each year to waste, inefficiency and fraud in Medicare and throughout the health care system.

- Significantly reducing this waste helps to drive health care costs down.

- Reducing waste, inefficiency and fraud also helps strengthen Medicare's long-term stability. According to official estimates, cost savings—some of which come from reducing waste—should keep Medicare financially stable almost a decade longer than if no law had been passed.

- The new law has many provisions to aggressively crack down on waste, fraud and abuse.

- It will also help cut inefficient care, identify fraudulent providers, reduce overpayments to insurance companies and protect the privacy of consumers' personal information.

AARP will continue work with federal agencies and members to help reduce waste, fraud and abuse in Medicare and to help protect the personal privacy of our members and all Americans.

## For Early Retirees:

- Protects early retirees' health coverage

For those of you who are not on Medicare, the new law helps in many ways.

- To start with, it **provides protections for early retirees.**
  - Starting this year, if you have retiree health coverage through your work and are between 55 and 64, new federal funds will encourage your employer to continue offering you health benefits.

## For People Who Are Uninsured or Buy Their Own Coverage:

- Provides one-stop-shopping
- Creates standard comprehensive benefits

We know that many of you are not yet on Medicare, but also don't have insurance through an employer. The new law helps you, too.

- **If you are don't have insurance, buy your own coverage, or own a small business** you will now have access to health insurance
  - If you have a medical condition or develop one, insurance companies will no longer be able to deny you coverage, drop you, or price you out of coverage.
- Those without insurance will be able to buy a private policy through a new marketplace called **"exchanges."**
  - Those without insurance, small business owners, and people who are self-employed will be able to purchase private health insurance through state-based exchanges.
  - This means that all Americans will have access to the same choice of health insurance plans as members of Congress.
  - Exchanges must begin offering insurance by **2014**.
  - However, you need to know, if you are eligible for insurance through an exchange and do not purchase it, you will be subject to a penalty.
  - Exchanges create **"one-stop-shopping"** so it will be easier to compare plans and prices among health insurance choices.
  - All health insurance plans in the exchanges must offer a set of **standard comprehensive benefits**.
    - Those benefits include medical, mental health, prescription drug, and rehabilitative services.
    - You will be able to pick among four levels of coverage – bronze, silver, gold, and platinum – to fit your needs.
    - Standardizing benefit levels will make it easier for you to **compare** benefits and costs.

**For People Who Are Uninsured or Buy Their Own Coverage:**

- Makes health coverage more affordable
- Expands eligibility for Medicaid
- Provides temporary coverage through “high risk pools”
- Extends coverage for older children

• To make health coverage more **affordable** for those with middle income, you will get **tax credits** to help you pay your premiums for health insurance you purchase through an exchange.

- The income levels are less than \$58,280 for a couple (or \$43,320 for an individual).
- These tax credits will help to **make health coverage more affordable** for so many who have found it so difficult and expensive to get any health insurance.

• **More people will be eligible for Medicaid** [*Note: Use the term your state calls Medicaid, such as Medical Assistance or Medi-Cal*].

- Medicaid is the state and federal program for those with very low income.
- All children, parents, and childless adults who have a limited income (about \$20,000 for a couple, as of 2010), but do not have Medicare, will be able to get Medicaid coverage starting in **2014**.

• **People who are uninsured** will now be able to **get temporary insurance coverage**.

- You you’ll be able to purchase insurance coverage if you have a pre-existing condition and have been uninsured for six months.
- This coverage will come from a program known as “high risk pools”
- Should be available in your state by mid-summer.
- Coverage under this program will continue until the exchanges start in 2014, when all insurers will have to cover you, regardless of your health history

• The new law also **extends coverage for young adult children**.

- Starting **this year**, your adult son or daughter may be able to be covered on your insurance policy up to age 26.

## Increased Protections for Consumers:

- Eliminates discriminatory insurance practices
- Eliminates lifetime and annual coverage limits

- All of us will have **increased consumer protections**.
  - By **2014**, insurance companies are barred from denying you coverage even if you are or have been sick or disabled.
  - Protections will be put in place to curb **excessive premium increases** because of your age, gender, or health condition.
- **Discriminatory insurance practices will be a thing of the past.**
  - Starting **this year**, as long as you pay your premiums, health insurance companies **can't drop** your health coverage if you become sick.
  - Beginning in **2014**, you **can't be denied** health insurance because of you have a medical condition or develop one.
  - Until these prohibitions against denying coverage for medical reasons go into effect, individuals who couldn't get coverage before may be eligible for **temporary coverage** through high-risk pools that we talked about earlier.
- **Lifetime limits** on your coverage will be banned **this year**.
  - Also **this year**, the law will begin phasing in restrictions on insurance companies from using arbitrary **annual limits** on your coverage.
  - Keep in mind, **annual** limits will be **completely banned** in 2014.
  - This will help ensure that no one has to go without treatment because they can't afford their health care.

## Increased Protections for Consumers:

- Requires coverage for preventive care

• Beginning **2010**, as with Medicare, **insurance companies are required to provide free preventive care** benefits.

- Includes colonoscopies, mammograms, bone density screenings, and annual checkups.
- This means you will pay less out-of-pocket for preventive care.

## For People with Long-Term Care Needs:

- Helps you pay for long-term care
- Gives states extra support for home and community-based services
- Provides better information and accountability for nursing home care

**People with Long-Term Care Needs** will be able to get more services to help them live independently at home and in their community.

- If you are working you can participate in a voluntary insurance program that will later **help you pay for some of your future long-term care** services and supports.
- You may have heard it called the **CLASS Act**
  - [CLASS stands for Community Living Assistance Services and Supports]
  - This new program will pay you a lifetime cash benefit if you have a qualifying disabled that limits your day-to-day living
  - You have to pay premiums into the program for at least five years.
  - If your employer participates in the program, you will **automatically be enrolled** once the program is established.
  - You will pay premiums through a payroll deduction unless you choose not to participate in the insurance, meaning you “opt out.”
  - You will also be able to purchase the insurance if your employer doesn’t participate in the program or if you are self-employed.
- States will get added financial support for home and community-based services that are so important to seniors who want to remain independent and in their own homes as they age.
- Medicare will enhance its **Nursing Home Compare** tool
  - You’ll have ready access to
    - A standard complaint form
    - Resident rights and consumer information
    - Links to State survey reports
    - Links to summaries of complaints against the facilities.
- This information will help you make more informed decisions when selecting a nursing home.

## For People with Long-Term Care Needs:

- Expands financial protections to more spouses of people with Medicaid
- Promotes independent living

• If you are married to someone with **Medicaid** who is receiving care services at home, you will have the same **protections** for your income and other resources as do spouses of those on Medicaid who live in a nursing home. Starts in 2014.

• Your state may also take advantage of increased options and financial incentives to **promote independent living** by expanding home and community-based services.

- Under the **Community First Choice Option**, participating states would get more Federal matching dollars.
- This new funding will help states offer attendant care services to people with qualified disabilities so they can continue living in the community.
- These changes start phasing in next year.

## ***Where do we go from here?***

**Political Challenges  
Legal Challenges  
Consumer Support**

In summary, the new health care law will be phased in over a number of years.

The law makes changes that will:

- Help you lower your prescription drug costs
- Strengthen your Medicare benefits
- Help you get access to affordable health care coverage, and
- Make it easier to pay for long-term care services and supports.

Some of these changes you will see this year. Others will be put in place over the next several years.

***[Note: You may want to provide the audience with the “When Changes Come About” fact sheet on when the various changes take effect.]***

There’s a lot to absorb. It’s only natural to have questions about a change this big.

There’s a lot of good information out there if you seek it out. AARP is working hard to provide you with updated information, so please frequently visit

**[www.aarp.org/getthefacts](http://www.aarp.org/getthefacts)**

**Questions?**

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**Thank you**