

Medicare Task Force Press Conference on National Health Reform

Thursday, May 20, 2010 at 10:30 a.m.

CCHCC Conference room

Good morning everyone. Thank you all for coming. My name is Shirbie Faulkner and I am a member of the Champaign County Health Care Consumers Medicare Task Force. Champaign County Health Care Consumers organized the Medicare Task Force in 2005 to give Medicare beneficiaries a voice in the health care system. We are a group of Medicare beneficiaries and concerned individuals in Champaign County dedicated to making consumer-driven improvements in the Medicare Program. Our Campaign to Fix Part D is working to make the Medicare Prescription Drug Benefit, Part D, a REAL benefit for Medicare beneficiaries. We want Congress to create a Medicare-administered drug plan that can negotiate for lower drug prices and eliminate the harmful and costly Donut Hole.

Over the past year we have been advocating around national health reform to make sure that Congress addressed the needs of Medicare beneficiaries in whatever bill that they passed. There was a great deal of debate and political rhetoric about the health reform bill and sadly Medicare beneficiaries were put in the center of a lot of that. But now that the bill has been passed into law, we are pleased to announce that there are several great new benefits that Medicare beneficiaries can expect to see over the coming months.

In talking with fellow seniors, I have found that a lot of Medicare beneficiaries don't even know what is in the health reform law or how they can receive any of the new benefits. So our Medicare Task Force decided that we should find out exactly when everything will be happening and then get the word out. We contacted Sen. Durbin's office in Washington and were able to receive new details from the Department of Health and Human Services as they were released to Congress last week.

So today we'd like to take a little time to tell you about some new benefits that we can look forward to and how they will help all Medicare beneficiaries. First off, Connie Georgoulis is going to tell you about some new provisions that will provide relief for seniors who fall into the Part D Donut Hole coverage gap every year. Then Bea Stratton will tell you about the provision that will make all preventive care services more affordable. Finally, Anne Gargano will tell you about an upcoming opportunity to learn more about the health reform bill and how it can help everyone even if you are not a Medicare beneficiary.

Thank you.

Hello. My name is Connie Geourgoulis and I am also a member of the Medicare Task Force. I have the opportunity to tell you about some exciting new benefits that will offer real relief for struggling seniors and people with disabilities who fall into the Part D Donut Hole every year.

I'd like to start out by explaining the Donut Hole so that everyone is clear about how much this relief is desperately needed. The Donut Hole is a foreign concept to anyone who does not deal with Medicare Part D because there is nothing like it in any other type of insurance. That is because no one would choose to purchase an insurance plan with a huge hole in the middle. Unfortunately, Medicare beneficiaries do not have a choice, as there is not a single Part D plan offered in Illinois without some sort of Donut Hole

There are three periods in Part D coverage. In the initial period, Medicare beneficiaries pay their monthly premium and 25% of their drug costs while the insurance company pays the remaining 75% of the drug cost.

When the combined drug costs for the Medicare beneficiary and the insurance company reach \$2,830, the beneficiary falls into the Donut Hole coverage gap. During this non-coverage period Medicare beneficiaries pay their monthly premium as well as 100% of their drug costs. Let me emphasize - Medicare beneficiaries are literally paying for nothing.

Medicare beneficiaries have to spend a total of \$6,440 out of pocket in order to pay their way out of the Donut Hole and reach the third coverage period called catastrophic coverage. In this period, until the end of the calendar year, the insurance company will pay 95% of the prescription drug costs.

Many seniors fall into the Donut Hole every year and cannot afford to pay their way out. Instead they cut pills or skip doses until their coverage begins again the next year in January. For many of these seniors, the situation has gotten worse every year because the Donut Hole has gotten bigger every year. With the rising cost of prescription drugs, Medicare beneficiaries are falling into the Donut Hole sooner and as the gap gets bigger, they get farther and farther away from being able to get out. Our Task Force would like to see the Donut Hole completely eliminated this year. Sadly, that is not what Congress has passed. However, there is some relief coming soon that will make a difference for many Medicare beneficiaries here in our community.

Thanks to the health reform law, every Medicare beneficiary who falls into the Donut Hole this year will receive a \$250 rebate check. While this is only a small amount of what Medicare beneficiaries are forced to pay in the Donut Hole, it is definitely a step in the right direction. Something that I know that many seniors will be happy to hear is

that you do not have to do anything to receive your rebate. We all have so much paperwork to fill out in order to receive different state benefits like Illinois Cares Rx. So we were very happy to see a benefit that is so easy to access. As soon as you fall into the Donut Hole, the Department of Health and Human Services, known as HHS, will be notified and they will begin processing your check. The first group of rebate checks will be sent out on June 15th and another group will be sent out every 6 weeks until the end of the year. CMS, The Centers for Medicare and Medicaid Services, expect about 4 million beneficiaries to receive a rebate check this year, about 80,000 of them in this first mailing and larger groups throughout the summer and fall. So be on the lookout for your rebate check coming in the mail when you fall into the Donut Hole. Be sure to open any mail from HHS or CMS so you don't mistake your rebate for junk mail.

While we recognize that \$250 is just a small amount, this is just the beginning. The Donut Hole will be gradually closed over the next ten years until it is completely eliminated in 2020. As I mentioned earlier, the Donut Hole has gotten bigger every year since Part D was created. When Medicare beneficiaries shop around for their Part D plans during Open Enrollment in November, this will be the first year that they won't be disgusted to see a bigger gap in our coverage for the new year. Next year, everyone will receive a 50% discount on all brand-name drugs in the Donut Hole as well as a small discount on generic drugs. You will see in your packet a small chart provided by the Medicare Rights Center that details exactly how the discounts will increase until the Donut Hole is phased out over the next ten years.

Of course if the Medicare Task Force was able to design this reform, we would have chosen to allow Part D plans to negotiate for lower drug prices and use those cost-savings to close the Donut Hole this year. Of course that is not what Congress chose to do, but we are happy to see the improvements that were passed. These new benefits will truly make a difference for all of the seniors and people with disabilities in our community who struggle in the Donut Hole every year. Now Bea Stratton will tell you about another exciting cost-saving benefit that we can look forward to soon.

Thank you.

Hello. My name is Bea Stratton and I am a member of the Medicare Task Force and a member of AFSCME Retirees Subchapter 88. I would like to briefly highlight one other exciting new provision that was created by the national health reform law. Starting in 2011, all preventive care for Medicare beneficiaries will be covered without a co-pay or deductible. This new benefit will make a huge difference for every Medicare beneficiary.

We have all been taught the importance of getting an annual check-up. That becomes even more necessary as we age and become more prone to health problems. So it

seems absurd that Medicare currently only pays for an annual physical exam when you first enter into Medicare, and then only every other year after that.

Even though Medicare would only pay for an annual physical every other year, I felt that it was important for me, because of my health problems, to get a physical every year. But that meant that I had to pay out-of-pocket for my annual physical when Medicare would not cover the cost.

When I received the bill for my annual physical, I was shocked to find that a simple check-up with standard diagnostic tests cost over \$300. It turns out that some of my blood tests were actually covered by Medicare because I have diabetes, so it would cost even more for the average Medicare beneficiary. It was a struggle for me to pay that amount and I know that it would just be out of the question for many lower-income seniors. That is simply too expensive for most Medicare beneficiaries and puts important preventive care out of reach.

Now, because of the health reform law, Medicare will pay the full cost for an annual exam and seniors can get the check-ups that they need to maintain their health and stay ahead of any health problems.

We are also very pleased to report that another new Medicare benefit under health reform is that other preventive services will be completely covered, starting next year.

Catching illnesses like cancer early can truly mean the difference between life and death. So now, because of the new health reform law, Medicare beneficiaries will be able to get a mammogram, colonoscopy, and other preventive health services for free regardless if they have met their Medicare deductibles.

We encourage every Medicare beneficiary to take advantage of this great new benefit that will be starting in as little as 6 months. Make an appointment for your annual check-up. This new benefit might not just be a cost-saving measure, but also a lifesaving one.

Thank you.

Hi, my name is Anne Gargano and I am on staff at Health Care Consumers and the lead organizer of the Medicare Task Force. Thank you again for attending our press conference this morning. We hope that this information was helpful and informative. As we have said, this is not necessarily how we would have designed the health reform law and we would absolutely like to see the Donut Hole closed sooner. So, while we are pleased to announce these new benefits and recognize that they will make a real

difference in the lives of many Medicare beneficiaries here in our community, we would also like to reaffirm our pledge to continue working on the Campaign to Fix Part D. We will continue to advocate to make Part D a REAL benefit for Medicare beneficiaries.

While today's event is focused on the Medicare benefits created by the health reform law there is really something in health reform for everyone. To help everyone understand exactly what was passed and how it can help them, Health Care Consumers will be holding a Community Meeting on National Health Reform this coming Wednesday, May 26th at 6 pm in the Champaign Public Library. At our meeting we will be presenting this information on Medicare, as well as information on new insurance regulations for those who are currently insured, Medicaid expansions and the insurance exchange for those who are currently uninsured, and information on tax benefits for small businesses and non-profits. Because some of the biggest reforms do not go into effect until 2014, we will also be talking about local health care resources that can help in the meantime. We encourage everyone to come to the community meeting to get your health reform questions answered.

That concludes today's press conference. We will be available for questions or interviews from the media.

Thank you.