

The Affordable Care Act: Impact on Adults & Seniors with Medicare

In March of 2010 President Obama signed the Affordable Care Act (ACA), also known as Obamacare, into law. This legislation, upheld as constitutional by the U.S. Supreme Court, will impact Medicare and health care for older adults. The purpose of this frequently asked question guide is to help alleviate confusion on how the ACA will impact Medicare. If you have further questions call the Area Agency on Aging 1-B at 1-800-852-7795.

The ACA creates massive health care changes for all populations, including new mandated and optional insurance benefits (including Medicaid Expansion), taxes and penalties for individuals and employers. The impact on Medicare is small in comparison to the other impacts of the Act

1. I am between the ages of 55 and 64, how will the Affordable Care Act impact me?

If you have job-based health care you like, you can keep it. If you are unhappy with your job-based coverage you can explore other health care options through the Health Care Exchange Marketplace. If you are losing your job-based insurance you can purchase coverage through the Marketplace. You can also see if you qualify for low or no cost insurance options. You also have the right to choose a COBRA continuation coverage which allows you to keep your job-based insurance for you and your family for up to 18 months.

If you are self-employed and have no employees you are not considered an employer. You can explore the Health Care Marketplace for a plan that meets your needs.

If you do not have job-based or private health coverage in 2014 you may be subject to a fee. The fee in 2014 is 1% of your annual income or \$95 per person for the year whichever is higher. The fee will increase each year. It is important to note that if you do not have coverage and pay the fee, you will still be responsible for 100% of your health care costs.

2. Will my existing Medicare benefits be reduced or taken away as a result of the Affordable Care Act?

No, under the ACA your existing guaranteed Medicare-covered health benefits will not be reduced or taken away. Your ability to choose your own doctor is also protected under the ACA.

3. I have high prescription costs. Will my Medicare Part D benefits be affected by the ACA?

Yes, if you reached the prescription coverage gap known as the "donut hole," you received a one time tax rebate of \$250 from Medicare to assist in your drug costs. If you reach the donut hole now, you will already receive a 50% discount on name brand drugs covered by Medicare Part D. This 50% discount will increase to 75% by the year 2020. This will save seniors who reach the donut hole hundreds of dollars annually.

4. Did the ACA expand Medicare benefits?

Yes, the ACA now covers many preventative services such as flu shots, diabetes screenings, mammograms and other cancer screenings for free. Beginning in September 23, 2010 when pieces of the ACA took effect through March of 2013, about 105 million Americans received at least one preventative service at no out of pocket cost including about 2.4 million Michiganians. Additionally, every year you can now get a free Wellness Visit with your doctor. This offers a chance to sit down and spend more time with your doctor discussing your health and health goals.

ACA Important Dates:

October 1, 2013: Marketplace Enrollment Starts

January 1, 2014: Health Coverage Starts

March 31, 2014: Open Enrollment Ends

5. What about Medicare cuts and tax increases?

The ACA cut about \$716 billion in future Medicare spending over the first 10 years, mostly through cuts in future reimbursements for hospital, doctor and home care services, as well as payments to Medicare Advantage health plans. There is a significant risk that these planned reductions may result in reduced benefits and access in the future. However, the changes have also resulted in an improved outlook for the fiscal viability of Medicare, extending the date that the programs will be solvent to 2029, up by 12 years.

Visit www.healthlawguide.aarp.org for a personalized report on how the ACA may affect you.

Sources:

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