

Medicare Improvements

There are 106,000 Medicare beneficiaries in the state. The legislation improves their benefits by providing free preventive and wellness care, improving primary and coordinated care, and enhancing nursing home care. The bill also strengthens the Medicare Trust Fund, extending its solvency from 2017 to 2026.

Affordability and Quality of Care

1. Provides a \$250 rebate for any Medicare Part D (prescription drug benefit) enrollee who enters the "donut hole" in 2010 and begins filling the donut hole in Part D in 2011 and closing the donut hole completely by 2020.
2. Drug manufacturers will provide 50 percent discounts on brand-name drugs in the donut hole to reduce costs beginning in 2011 and through the phase-out.
3. Eliminates out-of-pocket expenses for preventive services in Medicare;
4. Requires Medicare Advantage plans to spend at least 85 percent of revenue on medical care and improving quality of care, rather than on profit and overhead;
5. Makes sure low-income individuals have information about their Part D plans;
6. Eliminates cost sharing for certain individuals dually eligible for Medicare and Medicaid;
7. Reduces "churning" of low-income Part D enrollees between drug plans each year.
8. Enhances nursing home transparency and accountability requirements related to resident protection and quality of care (see the Medicaid fact sheet for description of other policies related to nursing facilities);
9. Begins value based purchasing for hospitals and starts other providers on the path toward value based purchasing.
10. Creates a new Center for Medicare & Medicaid Innovation within CMS to allow for testing and expansion of promising payment models within those programs.

Primary Care and Coordinated Care

1. Increases reimbursement for primary care services and encourages training of primary care physicians;
2. Encourages more collaboration and accountability among providers via bundling of

payments and advancing of Accountable Care Organizations (ACOs);

3. Extends key protections for rural providers to ensure access to care in rural areas;

Extends Medicare Solvency by Nine Years or More

1. Improves payment accuracy to ensure that Medicare pays the right amount for health services;
2. Expands funding and authority to fight waste, fraud and abuse;
3. Eliminates overpayments to private Medicare plans.

Medicare Part D Improvements

Each year, 7,600 Medicare beneficiaries in Vermont enter the Part D donut hole and are forced to pay the full cost of their prescription drugs. Under the bill, these beneficiaries will receive a \$250 rebate in 2010, 50% discounts on brand name drugs beginning in 2011, and complete closure of the donut hole within a decade. A typical beneficiary who enters the donut hole will see savings of over \$700 in 2011 and over \$3,000 by 2020.

Closes the Part D Donut Hole

1. Gives a \$250 rebate to all Part D enrollees who enter the donut hole in 2010.
2. Provides a 50 percent discount on brand-name drugs in the donut hole, beginning in 2011.
3. Phases in additional discounts for brand-name and generic drugs to close the donut hole completely by 2020.
4. A typical senior who hits the donut hole will save over \$700 in 2011, and over \$3,000 by 2020.

Improves Access and Information for Low-Income Beneficiaries

1. Expands access to plans with a \$0 premium for low-income beneficiaries by changing the calculation of which plans are eligible, and reduces the number of these enrollees who would have to switch plans each year to maintain a \$0 premium.
2. Allows widows and widowers to more easily retain their low-income eligibility.
3. Ensures that low-income enrollees assigned to new Part D drug plans receive important information about their plan.
4. Provides new funding for state programs to assist low-income and other Part D enrollees with enrollment into plans that cover their drugs.

Strengthens Consumer Protections for Seniors and the Disabled

1. Creates a uniform exceptions and appeals process and provides instant access to allow Part D enrollees to appeal plan decisions if they are denied necessary drugs.
2. Improves Part D plans' complaint systems and CMS monitoring of complaints.
3. Improves formulary requirements to guarantee that Part D enrollees have access to necessary drugs.
4. Creates new penalties for false or misleading marketing or enrollment of individuals in Part D plans.