

## Health Reform for Oregon Seniors

### **Health Reform in Oregon**

The Oregon Health Authority (OHA) is working to put the care back in health care and placing medical decisions back in the hands of patients and their doctors, not insurance and pharmaceutical companies. OHA is working to lower the cost of care so it is affordable to everyone.

### **Keeps all of Medicare's guaranteed benefits.**

The national healthcare reform bill makes no changes in the benefits to which Medicare beneficiaries are entitled in Traditional Medicare and Medicare Advantage plans. The bill sets in place ways to keep the ever-increasing costs of Medicare in check by tightening up payment to physicians and other providers and private Medicare plans so that Medicare benefits can be protected long into the future.

### **Closes the Medicare "Donut Hole."**

In 2010, the bill provides a \$250 rebate to Medicare beneficiaries who hit the donut hole, the gap in prescription drug coverage in Medicare Part D. Beginning in 2011 for generic drugs and in 2013 for brand name drugs, Medicare will pay a gradually increasing share of the cost of drugs in the donut hole. Also beginning in 2011, the pharmaceutical industry will offer a 50 percent discount on brand name drugs in the donut hole. By 2020, the donut hole for all prescription drugs will be completely closed.

### **Changes how private health plans are paid to reward quality and reduce waste.**

Phases down payments to Medicare Advantage plans, bringing them more in line with the costs in the original Medicare program. It requires plans to spend a certain amount on benefits—limiting what they can spend for insurance company salaries, paperwork, and other administrative costs, or keep for profit. Reducing these extra payments will save Medicare money, and some of those savings will be used to reward plans for providing high-quality care and service. Provides for bonus payments for plans that improve quality and enrollee satisfaction. Reducing these subsidies will save Medicare more than \$150 billion over 10 years.

### **Strengthens the financial health of Medicare.**

Invests in fighting waste, fraud and abuse. Reduces extra payments to private health plans. Begins to pay hospitals and doctors in ways designed to encourage them to provide the best possible care, rather than for procedures that are billable to Medicare but may not help their patients.

### **Preventive care for better health.**

Today, seniors must pay 20 percent of the cost of many preventive services and office visits. Reform eliminates deductibles, co-payments and other cost-sharing for preventive care—making them free to seniors—and provides free annual wellness check-ups starting in 2011. The Oregon Health Authority is focusing on providing incentives and rewards for both patients and providers that encourage healthy behaviors, healthy choices, prevention and wellness. Prevention is key to lowering health care costs.

**Affordable long-term care.**

Creates a voluntary long-term care insurance program, which will provide a cash benefit to help seniors and people with disabilities obtain services and supports that will enable them to remain in their homes and communities.

**Focus on controlling chronic disease.**

Provides higher payments for family physicians and other general practitioners so that they can spend more time with patients and have additional staff to provide care coordination. Care coordination will help patients to better manage problems like asthma, diabetes, high blood pressure, and other conditions so they are less likely to suffer flare-ups that require hospitalization. This will improve the quality of care that seniors receive. These changes will help better spend the more than 90 percent of Medicare funds that go toward treating chronic conditions.

**Promotes better care after a hospital discharge.**

Encourages better discharge planning from hospitals and better transitional care. The bill provides funding to help hospitals do a better job of coordinating care between hospitals and nursing homes or family members providing post-discharge care.

**Improves quality of care and informed choices.**

Invests in developing and reporting quality of care measures across the healthcare delivery system, helping beneficiaries make more informed choices among providers.

**Incentives 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 quality care* rather than *more quantity of care*.

The **Oregon Health Authority** is the organization at the forefront of lowering and containing health care costs, improving quality of care, and increasing access to health care in order to improve the lifelong health of all Oregonians. Go to [www.Oregon.gov/OHA](http://www.Oregon.gov/OHA) for more information about health reform in Oregon.