**State of Rhode Island and Providence Plantations**

**Department of Human Services**
**Division of Elderly Affairs**

**RHODE ISLAND SENIOR BEAT**

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# CENTERS FOR MEDICARE AND MEDICAID SERVICES ISSUES REPORT ON THE IMPACT OF THE AFFORDABLE CARE ACT ON MEDICARE HEALTHCARE COSTS

**CRANSTON ---**When the Affordable Care Act (ACA) was passed in 2010, the projected savings in Medicare, the nation's healthcare program for 46 million Americans and 193,000 Rhode Islanders age 65 and older and adults who have been disabled for more than two years, were just that-projections. When the Centers for Medicare and Medicaid Services (CMS) issued its second annual report earlier this month on the impact of the ACA on Medicare costs, the numbers showed tangible savings to beneficiaries in 2012, particularly in the area of prescription drug costs.

Since the ACA was enacted, 6.1 million beneficiaries with Medicare Prescription Drug plans (Medicare Part D) reached the coverage gap, also known as the "donut hole," of their Part D plans. Under the provisions of the ACA, Medicare Part D discounts will gradually reduce medication co-payments for beneficiaries until a 25 percent copayment for both generic and brand-name drugs is reached in 2020. In 2012, beneficiaries in the "donut hole" received a 50 percent discount on brand-name drugs and 14 percent on generics. In 2013, Medicare beneficiaries who reach the "donut hole" will get a 52.5 percent discount on brand-name drugs and a 21 percent discount on generics.

The CMS report notes since the implementation of the ACA, Medicare beneficiaries have saved more than $5.7 billion in prescription drug costs when they entered the "donut hole" in the Part D plans. In 2012, drug savings of $2.5 billion were realized, slightly more than the $2.3 billion in savings for beneficiaries in 2011.

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In 2012, beneficiaries enrolled in Medicare Advantage plans paid lower average monthly premiums for their healthcare plans than in 2010. Last week, CMS proposed lowering the yearly deductible for a Part D plans to $310 in 2014 from $325 this year.

In 2012, more than 3.5 million seniors and adults with disabilities receiving Medicare saved an average of $706 in discounts while they were in the "donut hole" of their Part D plans. The Rhode Island savings averaged $579 per beneficiary.

The savings for generic medications alone was $105 million for 2.8 beneficiaries in 2012. Coverage gap discounts included savings for blood sugar lowering drugs ($435 million), asthma and related lung disease medications ($297 million), triglyceride and cholesterol reducing prescription drugs ($240 million), anti-dementia drugs ($120 million), and medications used to lower blood pressure ($138 million). CMS reported that Rhode Island Medicare beneficiaries saved in excess of $20.5 million on their prescription medications while in the coverage gap in 2012.

The ACA also expanded the availability of preventive services that beneficiaries can receive from their Medicare Part B (Medical Insurance) benefits with no cost-sharing. These preventive services include a "Welcome To Medicare" exam; annual wellness visit; screenings for breast cancer, heart disease, diabetes, colon cancer, osteoporosis, cervical cancer, and prostate cancer; pneumonia, flu, and Hepatitis B vaccinations; medical nutrition therapy; and smoking cessation counseling. The annual wellness visit now includes screening for depression with no Part A or Part B cost-sharing.

In 2012, an estimated 34 million Medicare beneficiaries used these preventive services in 2012. In Rhode Island, more than 88,000 persons used these preventive services.

The annual wellness visit complements the "Welcome to Medicare" exam that allows persons joining Medicare to take a look at their current health, medications, medical and family histories and risk factors to develop a plan with the healthcare professionals to maintain their healthcare and manage any chronic medical conditions.

The ACA has improved medical care for Medicare beneficiaries and also saved valuable resources for the Medicare trust fund.

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The ACA also called for renewed emphasis on detecting and prosecuting Medicare fraud, waste, and abuse. In 2012, through the efforts of Senior Medicare Patrol (SMP) programs nationwide and a national Medicare fraud strike force team, more than $4 billion was returned to the Medicare trust fund.

The Rhode Island SMP program trains volunteers to help Medicare beneficiaries recognize and report Medicare and Medicaid fraud, waste, and abuse. Medicare and Medicaid fraud, waste and abuse consists of such actions as incorrectly reporting a diagnosis, procedure, treatment or medication to get a higher payment, billing for individual mental health services when group counseling was provided, billing for brand name prescriptions when generic medications were dispensed, using another person's Medicare or Medicaid card to get services, or double-billing Medicare, Medicaid, and a private insurance carrier for the same service.

For more information about Rhode Island SMP, call 462-0931, or log on to www.dea.ri.gov. The TTY number is 462-0740.

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The Rhode Island Department of Human Services, Division of Elderly Affairs (DEA) is responsible for the development and implementation of a comprehensive system of programs and services for Rhode Islanders ages 60 and older and for adults with disabilities. Questions or requests for additional information on the issues of growing older, or for issues concerning adults with disabilities in Rhode Island should be directed to: Larry Grimaldi, Rhode Island Senior Beat, Rhode Island Department of Human Services, Division of Elderly Affairs, 74 West Road, Cranston, RI 02920 or faxed to 462-0545. The e-mail address is lgrimaldi@dea.ri.gov.

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