

WHAT OBAMACARE MEANS FOR SENIORS

4-23-2010

2009

- President orders a 17% cut in funding for Medicare Advantage Plans for 2010. This causes some companies to cancel their plans. Other companies reduce benefits, raise out of pocket costs, increase copays and increase premiums as much as 300%. This puts severe stress on low income seniors who purchase the Advantage Plans
- Stimulus bill adds a health care panel and funds it called "The Comparative Effectiveness Research Commission" It is their job determine which medical procedures should be used and who should get them. Our view; In effect if you are a senior and need a knee replacement you may not get it. It is based on your remaining productive years.

2010

- Medicare Advantage plans will not face big payment cuts until 2012. Under the healthcare reform bill, Advantage plans will get the same payments in 2011 as they receive in 2010. Democrats wanted to delay major cuts until after the November 2010 elections to minimize loss of Senior citizen votes. \$200 billion will eventually be cut from these plans putting many seniors on Medicaid. The goal is to have 50% of senior citizens on Medicaid by 2016. On Medicaid you get no choice in health care plans, doctors or hospitals. You go where you are told to go.
- Increases Medicare payments to doctors in rural areas for two years only. After 2012 the state may have to pick up the cost.
- Medicare cuts to inpatient psychology hospitals effective 07-01-2010.
- All health insurance plans will have to cover "preventive care" not covered by Medicare, further increasing the cost of Medicare Supplement plans. Effective 09-23-2010.

2011

- Medicare cuts to home health care begin. This cost will be paid out of pocket by seniors or be picked up by supplemental insurance. This will cause the cost of Medicare supplemental insurance to increase.
- Wealthier seniors (making over \$85k in pension and social security) begin paying higher Part D (drug coverage) premiums which are not indexed for inflation.
- Medicare reimbursement cuts for seniors when they get diagnostic imaging like MRIs, CT scans, etc. These are common methods for cancer detection. Seniors will have to pay the difference or have supplemental insurance that will cover the cost. This will further increase the cost of Medicare Supplement Insurance.
- Medicare reimbursement cuts to ambulance services, ASCs, diagnostic labs (like blood tests) and durable medical equipment. Seniors will have to pay the difference or have supplemental insurance that will cover the cost. This will further increase the cost of Medicare Supplement Insurance.

- Everyone begins paying premiums for Federal "Long Term Care insurance" as a deduction from paychecks. A special form must be filled out to opt out.
- All health insurance plans will be required to spend 85% of all premium dollars on claims. The average today is 65%. If Ford were forced to pay 85% of all revenue received to their employees they would leave the country or close up. Many companies may opt to stop offering Medicare Supplement insurance. This will help force seniors onto the Medicaid system as planned.
- Physicians in Frontier states (ND, MT, WY, SD, UT) receive higher Medicare payments.
- Medicare payments are prohibited from going to Physician owned hospitals.
- Seniors are prohibited from purchasing power wheelchairs unless they first rent for thirteen months.
- Seniors who reach the "donut hole" in drug coverage receive a check for \$250 on 03-15-2010.
- Medicare reimbursement cuts to "Long Term Care" hospitals begin on 07-01-2011. This will reduce the care for seniors and force more seniors to purchase LTC insurance or go on to Medicaid.
- Additional Medicare reimbursement cuts to Hospitals, Nursing Homes, and Inpatient rehabilitation facilities begin.
- New tax on all health insurance policies, including Medicare Supplement policies and Medicare Advantage policies to pay for the "Comparative Effectiveness Research" panel established in the Stimulus Bill. This is often referred to as the "Death Panel".

2012

- Medicare cuts to Advantage Plans resume. The goal is to eventually eliminate all Advantage plans and force low income seniors unto Medicaid.
- Medicare cuts to Dialysis treatments begin. Seniors will have to pay the difference or have supplemental insurance that will cover the cost. This will further increase the cost of Medicare Supplement Insurance.
- Additional Medicare cuts to inpatient psychology hospitals effective 07-01-2012.
- Medicare cuts to Hospitals with high readmission rates begin. The "Centers for Medicare and Medicaid Services", which oversees the government programs, begin tracking hospital readmission rates and puts in place financial incentives to reduce preventable readmissions. Our view; It means some patients with chronic conditions that cause frequent readmissions may be turned away so the hospital can avoid the negative designation resulting in a paid incentive from the government.
- Medicare cuts for Hospice begin. Our view; End of life will be more painful.

2013

- Increase Medicare wage tax by 0.9% for everyone.
- Impose a new 3.8% tax on unearned, non active business income (investments) for those earning over (including seniors with investments) \$200k / \$250k not indexed to inflation, meaning as time goes on, more and more will fall into this category.
- Generally increases the threshold at which medical expenses can be deducted from income from 7.5% to 10%.
- Imposes a 2.3% excise tax on medical devices. This cost will be passed on to anyone who requires them, mainly seniors.
- More Medicare cuts to hospitals who treat low income seniors. Seniors will have to pay the difference or have supplemental insurance that will cover the cost. This will further increase the cost of Medicare Supplement Insurance.

2014

- Individuals (including seniors) without government approved coverage are subject to a tax of the greater of \$695 or 2.5% of income. Our view; In most cases the individuals will find it less expensive to pay the fine instead of paying for the insurance. Because no insurance company can deny coverage for preexisting medical conditions, the insurance companies will have no choice but to give each person coverage when they get sick or are diagnosed with a disease such as cancer. President Obama and the Democrats prefer this, because it potentially puts an additional \$3695 per year, per person, in the government coffers (when you add the \$2,000 fine for employers for not providing coverage). This means the insurance companies will not be receiving the money, consequently speeding their demise. Just another method to bring in the single payer government system so desired by the existing government.
- More Medicare cuts to Home Health care begin. Seniors will have to pay the difference or have supplemental insurance that will cover the cost. This will further increase the cost of Medicare Supplement Insurance.
- The new government board created by the Healthcare bill, IPAB, begins submitting proposals to cut Medicare even more.
- Medicare payment cuts for hospital acquired infections begin. This is a plus.

2015

- More Medicare cuts to Home health care.

2016

- The real cost to the states begin. All the additions to Medicaid and the associated cost will now fall on each state. This means huge tax increases for anyone in the state who is paying taxes, seniors included. The Medicaid program SCHIP was expanded to \$82 billion in 2009 by Obama and the legislature. To insure the supposed 32 million uninsured, half of them will be put on Medicaid. The cost will be paid by the Federal government until 2016. It then falls to the states to fund it at a rate of 5% the first year and increasing 10% a year each year after until they are funding the full amount. This will further break the budgets of all states and will take up to 70% of present state budgets. One of the worst hit states will be Nevada, home of Senate Boss, Harry Reid. His state will see the Medicaid budget expand by \$613 million according to Nevada Governor Jim Gibbons. This forces all state taxpayers to fund the cost of the uninsured. The worst hit states will be Nevada, Ohio, Michigan and California. Federal Courts have declared that "state participation in the Medicaid program is voluntary"; Consequently, many states may simply opt out of Medicaid to save the money. This would leave many of the poor in the state uninsured.