

Fact Sheet: Benefits for Seniors of New Affordable Care Act Rules on Expanding Prevention Coverage

Today, too many Americans don't get the preventive health care they need to stay healthy, avoid or delay the onset of disease, lead productive lives, and reduce health care costs. Often because of cost, Americans use preventive services at about half the recommended rate. Yet chronic diseases, such as heart disease, cancer, and diabetes – which are responsible for 7 of 10 deaths among Americans each year and account for 75 percent of the nation's health spending – often are preventable. Cost sharing (including deductibles, coinsurance, or copayments) reduces the likelihood that preventive services will be used. One study found that the rate of women getting a mammogram went up as much as 9 percent when cost sharing was removed.¹

The Affordable Care Act – the health insurance reform legislation passed by Congress and signed into law by President Obama on March 23 – will help make prevention affordable and accessible for all Americans, including those enrolled in Medicare. On June 25 and July 2, the Administration proposed new rules to implement two key provisions of the Affordable Care Act relating to prevention: no beneficiary out-of-pocket costs for most preventive care and coverage for an annual wellness visit at no expense to beneficiaries. These rules will be finalized on or before November 1 in order for both provisions to take effect on January 1, 2011.

Medicare's increased focus on prevention is incredibly important for America's seniors who often go without needed preventive care due to high costs and lack of coverage. For example, increased vaccinations and screenings among seniors could save lives as well as dollars. Approximately 40,000 Americans die each year due to pneumococcal infections, with the highest rate among seniors. Yet, only 58 percent of Americans over 65 have received the vaccination.² One study estimates that if all seniors received this vaccine, health costs could be reduced by nearly \$1 billion per year.³

Obesity is another prime example where a focus on prevention will save lives and dollars. Research indicates that if current obesity in seniors was reduced to 1980s levels, Medicare could save an estimated \$1 trillion over the next 25 years.⁴

What's New for Seniors?

Beginning January 1, 2011, Medicare beneficiaries will no longer have to pay any out-of-pocket costs for most preventive services. In addition, Medicare will cover the cost of an annual wellness visit with your physician. During this visit, you and your doctor will

¹ Solanki G., Halpin Schauffler, H., Miller, L.S. "The Direct and Indirect Effects of Cost-Sharing on the Use of Preventive Services," *Health Services Research*, vol. 34, no. 6, February 2000, pp. 1331-1350.

² Centers for Disease Control and Prevention, *Health United States 2009*.

³ Hillestad R, Bigelow J, Bower A, et al. Can electronic medical record systems transform health care? Potential health benefits, savings, and costs. *Health Aff (Millwood)* 2005;24:1103-1117

⁴ Goldman, Dana P., David M. Cutler, Baoping Shang, and Geoffrey A. Joyce. 2006. The value of elderly disease prevention. *Forum for Health Economics & Policy*. http://www.bepress.com/fhep/biomedical_research/1/.

develop a personalized prevention plan that takes a comprehensive approach to improving your health. Specifically, the Medicare wellness visit will cover the following services, free of charge to the patient:

- Routine measurements such as your height, weight, blood pressure, body-mass index (or waist circumference, if appropriate);
- Review of your medical and family history, including medications and current care by other healthcare providers;
- A personal risk assessment (including any mental health conditions);
- A review of your functional ability and level of safety, including an assessment of any cognitive impairment and screening for depression;
- Set up a schedule for Medicare's screening and preventive services for the next 5 to 10 years; and,
- Any other advice or referral services that may help intervene and treat potential health risks.

In addition, the following preventive services that Medicare currently covers will be provided free of charge to the patient, including:

- Mammograms every 12 months for eligible beneficiaries age 40 and older.
- Colorectal cancer screening, including flexible sigmoidoscopy or colonoscopy.
- Cervical cancer screening, including a Pap smear test and pelvic exam..
- Cholesterol and other cardiovascular screenings.
- Diabetes screening.
- Medical nutrition therapy to help people manage diabetes or kidney disease.
- Prostate cancer screening.
- An annual flu shot, a vaccination against pneumococcal infection (that may cause pneumonia), and the hepatitis B vaccine.
- Bone mass measurement.
- Abdominal aortic aneurysm screening to check for a bulging blood vessel.
- HIV screening tests for people of who are at increased risk or who ask for the test.

Finally, Medicare will also be able to expand coverage of additional preventive services with no charge to the beneficiary as new services, tests, or screenings become available and are recommended by the U.S. Preventive Services Task Force. This will ensure Medicare coverage stays on the cutting edge of preventive care for America's seniors and individuals with disabilities.

Preventive Care Means New Cost Savings for all Americans

While the elimination of co-pays, deductibles and other cost sharing under the Affordable Care Act will mean cost savings for all Americans, it will provide significant savings for Americans in greatest need of important, potentially life-saving preventive services. For instance, if a 58-year old woman who is at risk for heart disease should receive a mammogram, a colon cancer screening, a Pap test, a diabetes test, a cholesterol test, and an annual flu shot; under a typical insurance plan, these tests could cost the consumer more than \$300 out of her own pocket.

The proven benefits of preventive services also include additional cost savings for the nation from improved health and productivity of the nation's workforce, and reduced national health care spending.

- If just five preventive services –colorectal and breast cancer screening, flu vaccines, and counseling on smoking cessation and regular aspirin use – were utilized effectively, 100,000 deaths could be averted each year. In addition, effective cancer screening and early and sustained treatment could reduce the cancer death rate by 29 percent.
- 69 million workers reporting missed days due to illness each year, and reducing economic output by \$260 billion per year.
- Obese individuals have health care costs 39 percent above average, and reducing obesity and the diseases related to it could lower premiums overall by 0.05 to 0.1 percent.
- Every dollar spent on immunizations could save \$5.30 on direct health care costs and \$16.50 on total societal costs of disease.