



# Fact Sheet

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## Senate Democrats Are On Your Side: Implementing Health Reform that Works for Middle-Class Americans

Earlier this year, Congress passed and the President signed landmark health insurance reform legislation, the *Patient Protection and Affordable Care Act* (**P.L. 111-148**) and the *Health Care and Education Reconciliation Act* (**P.L. 111-152**), and Americans are already experiencing the benefits. These two laws put control over health care decisions in the hands of the American people, not insurance companies. Senate Democrats are committed to implementing health reform that holds insurance companies accountable, brings costs down for everyone, and provides Americans with the insurance security and choices they deserve. Following is an overview of recent health reform implementation activity. Previous updates on health reform implementation and other information are available from the DPC. [[DPC](#)]

### *Filling In the “Donut Hole”*

This year, the new health reform law provides Medicare beneficiaries who do not receive Medicare Extra Help with a \$250 rebate check when they enter the “donut hole.” The first of these checks was mailed to beneficiaries on June 10, and checks will continue to go out monthly as beneficiaries enter the coverage gap. [White House, [6/8/10](#)] The \$250 rebate check is tax-free and seniors do not need to do anything to receive it; Medicare will automatically mail a check when the beneficiary reaches the “donut hole.” [Centers for Medicare & Medicaid Services, [5/10](#)] Seniors should expect their check in the mail within 45 days or less of hitting the coverage gap.

Beginning next year, Medicare beneficiaries who do not receive Medicare Extra Help will receive a 50 percent discount on brand-name drugs and biologics they purchase when they are in the coverage gap. In addition to the discount, coverage in the “donut hole” will increase until 2020, when 75 percent coverage on all drugs purchased in the gap will completely fill in the “donut hole.” More information on filling in the “donut hole” and other benefits of health reform for seniors is available from the DPC. [DPC, [6/10/10](#)]

### *Combating Health Care Fraud*

Even as the *Patient Protection and Affordable Care Act* begins to deliver for American families, criminals will attempt to defraud seniors and the health care system. The health reform law is one step ahead of them with its strong anti-fraud provisions. This week, the Administration continued implementing these provisions, announcing a fraud prevention outreach campaign and encouraging state attorneys general to participate in fraud prevention and education efforts.

On Tuesday, June 8, the Department of Health and Human Services (HHS), the Centers for Medicare & Medicaid Services (CMS), and the Administration on Aging launched a national education campaign to ensure seniors have the information they need to protect themselves from fraud or scams related to their Medicare benefits. [CMS, [6/8/10](#)] As seniors begin receiving their tax-free, \$250 rebate checks when they enter the “donut hole” in their prescription drug coverage, the potential for scams and fraud exists. This anti-fraud education campaign begins with a \$1 million national radio buy, and will soon include television and print advertising and other outreach efforts.

Also on Tuesday, HHS Secretary Sebelius and Attorney General Holder mailed a letter to state attorneys general outlining new outreach and education efforts to prevent Medicare fraud. [HHS, [6/8/10](#)] For example, the President has instructed HHS to cut the improper payment rate, which tracks fraud, waste and abuse in traditional Medicare, in half by 2012, and to convene regional fraud summits around the country over the next several months. The letter also highlights tools the *Patient Protection and Affordable Care Act* provides to states to combat fraud.

## ***Helping States Hold Insurance Companies Accountable***

The *Patient Protection and Affordable Care Act* requires insurers to justify unreasonable premium increases to state regulators and the Secretary of HHS, and to post the justifications for the increases on their websites. The average cost of employer-sponsored health insurance has increased by 131 percent over the past ten years, while inflation increased 28 percent during the same period, demonstrating the need to ensure any premium increases are justifiable. [Kaiser Family Foundation and Health Research & Education Trust, [2009](#) and [9/15/09](#)]

To assist in this critical task, the new health reform law provides grants to help states review rates and determine whether they are justified. On Monday, June 7, the Secretary of HHS announced the first round of grants in a five-year, \$250 million grant program. [HHS, [6/7/10](#)] Up to \$51 million, or \$1 million for each successful state application, is available during this first round to assist states in holding health insurance companies accountable for unreasonable rate increases.

## ***Focusing on Prevention***

Yesterday, the President signed an Executive Order establishing the National Prevention, Health Promotion, and Public Health Council, authorized by Section 4001 of the Patient Protection and Affordable Care Act. [Executive Order, The White House, [6/10/10](#)] The interagency council is dedicated to promoting healthy policies at the Federal level, will establish a national prevention and health promotion strategy and develop interagency working relationships to implement the strategy, and will report annually to Congress on the health promotion activities of the Council and progress in meeting goals of the national strategy. The same Executive Order also established an Advisory Group on Prevention, Health Promotion, and Integrative and Public Health to work with and advise the Council.

## ***Tele-Town Hall with Seniors***

This week, President Obama held a tele-town hall meeting on the *Patient Protection and Affordable Care Act* with tens of thousands of seniors across the country. [White House, [6/9/10](#)]

President Obama discussed how the new health reform law will benefit seniors, and worked to correct misinformation about the new law that opponents of health reform continue to circulate.

### ***Other Grant Announcements***

This week, the Administration announced the availability of applications for two new grant programs created by the *Patient Protection and Affordable Care Act*. In order to prevent patient abuse and neglect and improve health care quality, the new health reform law requires the establishment of a nationwide program to conduct background checks on individual applying for work requiring direct patient access at a long term care facility. States and U.S. Territories are invited to be considered for inclusion in the National Background Check Program. [CMS, [6/8/10](#)]

Also this week, the Administration announced that funding is available for states and territories to develop and implement evidence-based Maternal, Infant, and Early Childhood Visitation models. [Health Resources and Services Administration, [6/10/10](#)] The *Patient Protection and Affordable Care Act* created this program to work toward reducing infant and maternal mortality and its related causes by improving prenatal, maternal, and newborn health, child health and development, parenting skills, school readiness, juvenile delinquency, and family economic self-sufficiency.