



# 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. A previous update on health reform implementation is also available. [DPC, [5/19/10](#)]

### ***Immediate Benefits for Your State***

On May 27, 2010, the White House released state-by-state reports outlining the immediate benefits of the *Patient Protection and Affordable Care Act* in every state. [White House, [undated](#)] These immediate benefits include small business tax credits, a rebate check for Medicare beneficiaries who hit the “donut hole,” funding for health coverage for early retirees, new consumer protections in the insurance market, extending coverage to young adults, affordable insurance for uninsured Americans with a pre-existing condition, strengthening community health centers, support for health care professionals who work in underserved areas, and new Medicaid options for states. The DPC has also issued state-by-state reports on the benefits of health reform. [DPC, [4/5/10](#)]

### ***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. It will improve the government’s ability to detect, track and prevent fraud, and includes stronger penalties for convicted criminals. On April 30, 2010, HHS issued an Interim Final Rule with Comment regarding four critical anti-fraud measures included in the health reform law. [HHS, [undated](#)] A new report confirmed that the health reform law invests in programs that work; in Fiscal Year 2009, anti-fraud efforts returned \$2.51 billion to the Medicare Trust Fund, a 29 percent increase over the previous year, and more than \$444 million in federal Medicaid funds was returned to the Treasury, a 28 percent increase from the previous year. [White House, [5/13/10](#)]

## ***Helping Seniors Understand Health Reform***

This week, Medicare beneficiaries began receiving a brochure from the Centers for Medicare & Medicaid Services (CMS) entitled “Medicare and the New Health Law – What it Means for You,” available in English and Spanish. [CMS, [5/10](#) and [5/10](#)] The brochure outlines key provisions of the *Patient Protection and Affordable Care Act* for Medicare beneficiaries and their families, and emphasizes that guaranteed Medicare benefits will not change, whether delivered through Original Medicare or Medicare Advantage. The brochure also describes the benefits of health reform that Medicare beneficiaries will see right away, such as the one-time, \$250 rebate check when seniors enter the Part D “donut hole” this year, if they are not already receiving Medicare Extra Help, and free preventive care services, with a free annual physical starting next year.

Also this week, CMS released a brochure entitled “Closing the Prescription Drug Coverage Gap,” to help seniors understand new drug coverage benefits included in the *Patient Protection and Affordable Care Act*. [CMS, [5/10](#)] The brochure explains that seniors who do not already receive Medicare Extra Help will automatically receive a \$250 check from Medicare when they reach the “donut hole,” or gap in their Part D prescription drug coverage. This is the first step toward completely filling in the “donut hole,” and seniors do not need to do anything in order to receive their check. Checks will begin to be mailed to seniors in mid-June, and will be mailed monthly to seniors who reach the “donut hole” later in the year. This rebate check is tax-free. The brochure also explains that beginning in 2011, Medicare beneficiaries will receive a 50 percent discount on brand name prescription drugs purchased when they are in the “donut hole,” (unless they already receive Medicare Extra Help).

## ***Helping businesses help early retirees***

The *Patient Protection and Affordable Care Act* created a \$5 billion program to support employer health plans that provide coverage to retirees who are not yet eligible for Medicare, to help protect access to coverage while reducing costs for employers and retirees. This temporary program will provide financial assistance until 2014, when health insurance Exchanges will make it easier for early retirees to access affordable health insurance options. On May 5, 2010, the Department Health and Human Services (HHS) issued regulations indicating the program will begin on June 1, 2010, in advance of the June 21, 2010 effective date required by law. [Federal Register, [5/5/10](#); White House, [5/4/10](#)] A new survey found that 76 percent of large employers that offer retiree benefits plan to pursue participation in the program, and that the average federal reimbursement for each early retiree will represent between 25 and 35 percent of each early retiree’s health care costs. [Hewitt Associates, [5/25/10](#)]

## ***Therapeutic Discovery Tax Credit***

On May 21, 2010, the Administration released guidance on the therapeutic discovery tax credit included in the *Patient Protection and Affordable Care Act*. [White House, [5/21/10](#)] The tax credit is for biotechnology research that creates jobs, saves lives, and brings down the cost of health care. The credit is available for up to 50 percent of the cost of qualifying biomedical research performed in 2009 and 2010, is available for small firms with 250 workers or fewer, and will be allocated among projects with significant potential to produce new, cost-saving therapies, support jobs, and increase U.S. competitiveness. [Treasury, [5/21/10](#)] Finally, qualifying firms may elect to receive a grant, rather than a tax credit – a benefit for start-up firms that are not yet profitable. Applications for the credit will be available on June 21<sup>st</sup> through the Internal Revenue Service website.