

Walz visits Rochester senior high-rise to answer questions about how reforms benefit seniors

(Rochester, MN) – Joined by representatives from AARP, the Area Agency on Aging, SEMCAC and Social Security, Congressman Tim Walz today spoke to seniors at Rochester’s Madonna Towers about new health insurance reforms.

“Many of the reforms passed by Congress will make improvements to the medical services seniors receive,” said Congressman Tim Walz. “These reforms will reduce preventable and costly hospital readmissions amongst seniors, coordinate care for chronic conditions, reduce medical errors and lower costs for preventative care. Right away, this law starts making prescription drugs more affordable by narrowing the prescription drug coverage gap this year and totally eliminating the so-called ‘donut hole’ by 2020.”

“I’m pleased to be joined by representatives from several local seniors’ organizations today and to have the opportunity to share important information about health reform with Rochester seniors. There is a lot of misinformation out there about how the changes impact older Americans and I hope seniors who have questions will call my office or any of these agencies for additional information,” concluded Walz.

The reform bill saves money on Medicare without reducing benefits. It does so in four major ways:

- First, the law reduces excessive payments Medicare makes to private insurance plans. These insurance company subsidies are draining the Medicare Trust Fund without demonstrating better results for seniors.
- Second, the law includes agreements with drug companies and hospitals to lower future costs of caring for seniors, saving Medicare money.
- Third, the law attacks waste, fraud and abuse in the Medicare system, saving taxpayers about \$450 billion over 10 years. That’s money that the law uses to reduce health care spending and improve the services Medicare offers.
- Finally, the law shifts Medicare to a pay-for-value model which means doctors will get paid for the quality of the care they provide, not the number of treatments. This gives doctors an incentive to get seniors well faster and to keep them well longer, saving money and helping seniors get more enjoyment out of their golden years.

The 'donut hole' is a gap in Medicare Part D prescription drug coverage that results in seniors paying full price for prescriptions after their annual drug costs have exceeded \$2,830. Seniors who reach a much higher catastrophic limit receive reinstated coverage, but most seniors fall in the middle, leaving them with large out of pocket expenses. In 2010, seniors in the 'donut hole' will receive a \$250 rebate check to help cover their costs. The law phases out the coverage gap by 2020.

Additional information on how the new reforms benefit seniors can be found at www.healthreform.gov or www.walz.house.gov

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