

By the End of This Week, More than 750,000 Seniors So Far This Summer Will Have Received \$250 Checks to Reduce Rx Costs

[Mankato, MN] – Today, Rep. Tim Walz announced that the third round of “donut hole” checks were mailed out to more than 375,000 seniors. Under the Affordable Care Act, seniors whose prescription drug costs are so high that they fall in the Medicare prescription drug ‘donut hole’ coverage gap in 2010 are receiving this one-time tax-free \$250 rebate check. Experts estimate that more than a quarter of seniors will hit the ‘donut hole’ this year.

“Prescription drugs often cost seniors thousands of dollars a year and this check is a down payment on reducing prescription drug costs for seniors and eventually closing the donut hole altogether,” Rep. Tim Walz said. “This is the first example of how the health care reform law will strengthen Medicare and help seniors. And the best part is that we’re not putting these checks on the deficit – the Affordable Care Act is a fully paid-for piece of legislation, so seniors can accept these checks without the guilt of taking the money from their grandchildren.”

These checks are being mailed out every few weeks, as more seniors hit the ‘donut hole.’ In June, more than 80,000 seniors received the rebate check; in July, more than 300,000 received the check; and now in early August, more than 375,000 are receiving it. The next round of checks will be in late August.

Between June and August, 11,169 Minnesota seniors received a rebate check.

The checks are just the first benefit from health reform for seniors in the Medicare Prescription Drug program. Beginning in January 2011, seniors in the donut hole will receive a 50% discount on brand name drugs. By 2020, the donut hole will be completely closed.

The donut hole was created in 2003 with the advent of Medicare Part D. The ‘donut hole’ coverage gap is the period in the prescription drug benefit (once their prescription drug costs exceed \$2,830) in which the beneficiary pays 100 percent of the cost of their drugs until they hit the catastrophic coverage threshold.

Rep. Walz warned seniors to be on the lookout for fraud, “Medicare recipients don’t have to do anything to get the \$250 check – once their drug costs for the year hit \$2,830 the one-time check will be issued automatically. If a person or organization tells you they can help you get your check for a fee or that you have to file paperwork with them for the check, don’t believe them.”

Making prescription drugs more affordable for seniors is only one of the many benefits for seniors included in the Affordable Care Act. Under the new law, other benefits for seniors include:

- Beginning on January 1, 2011, provides that seniors will receive free preventive care services like mammograms and certain colon cancer tests and a free annual physical.
- Strengthens Medicare by extending its solvency by an additional 12 years, from 2017 to 2029.
- Includes Medicare efficiencies, so that experts estimate that seniors can expect to save on average almost \$200 per year in premiums, by 2018, compared to what they would have paid without the new law.
- Continues to reduce waste, fraud and abuse in Medicare.
- Improves care by helping doctors communicate and coordinate.
- Expands home and community-based services to keep seniors in their home, instead of in nursing homes.