

FOR IMMEDIATE RELEASE

Tuesday, March 22, 2011

Contact: HHS Press Office

(202) 690-6343

**Nearly 4 million Medicare beneficiaries receive help with prescription drug cost
under Affordable Care Act**
Savings from new drug discounts in 2011 already total \$38 million

Through provisions of the Affordable Care Act, nearly 4 million people with Medicare who reached the program's Part D coverage gap in 2010 have received a one-time, tax-free \$250 rebate check. U.S. Department of Health and Human Services Secretary Kathleen Sebelius announced today that a similar number of Medicare beneficiaries are likely to enter the coverage gap in 2011 and will benefit from additional Affordable Care Act provisions that work to reduce and close the "donut hole" by 2020. Already, nearly 48,000 Medicare enrollees have saved \$38 million – an average of \$800 per person – thanks to a new 50-percent discount on covered brand-name drugs in the donut hole.

"For too long, many seniors and people with disabilities have struggled to choose between paying for needed prescription medication and other necessities, like food, rent and utilities," Sebelius said. "The Affordable Care Act is delivering more affordable prescription drugs to seniors and giving everyone on Medicare better benefits."

The new health care law is working to make Medicare stronger and more secure for all beneficiaries. Its provisions have increased benefits to beneficiaries and helped extend the life of the Medicare Trust Fund by 12 years. Today, HHS also released a new video outlining how the Affordable Care Act is helping seniors and others with Medicare. To watch the video, visit: www.youtube.com/user/HealthCareGov?feature=mhum#p/u/0/-4lPeKuOSVg.

Beginning in 2011, the Affordable Care Act provides a 50-percent discount on covered brand name prescription drugs to seniors and others with Medicare who reach the donut hole. For the 11,000 beneficiaries with the highest out-of-pocket costs, savings have averaged \$1,775. The five states with the largest number of individuals who received a rebate check are: California, Florida, New York, Pennsylvania, and Texas. Millions more beneficiaries are expected to receive the discount over the course of the year. In addition, this year, Medicare began shrinking the donut hole by increasing coverage for generic drugs.

The Centers for Medicare & Medicaid Services (CMS) has mailed almost 4 million rebate checks to people with Medicare, providing nearly \$1 billion in out-of-pocket relief. It is clear that the \$250 rebate checks provided significant financial relief to these individuals as the checks were cashed, on average, within 15 days of the checks being issued, with almost half of all beneficiaries cashing the check within 10 days of issue.

"The closing of the donut hole is just one of the ways seniors will benefit from the Affordable Care Act," CMS Administrator Donald M. Berwick, M.D. said. "Adding even greater value to their savings on prescription drugs, the new health care law gives people with Medicare new benefits as soon as they visit their doctors this year."

Since January 1, Original Medicare began:

- Providing a free annual wellness visit; in the first six weeks of 2011, over 150,000 beneficiaries benefited from this new option.
- Making critical preventive services, including certain cancer screenings such as mammograms and colonoscopies available for most people with Medicare, at no cost.
- Giving qualifying doctors and other health care professionals that provide primary care to people with Medicare a 10-percent bonus for primary care services. This will help ensure that those primary care providers can continue to offer professional health care services to Medicare patients.

Thanks to these types of Medicare improvements, an [analysis](#) (<http://www.healthcare.gov/center/reports/affordablecareact.html>) issued by the U.S. Department of Health and Human Services in November 2010 estimated that under the Affordable Care Act, average savings for those enrolled in traditional Medicare will amount to more than \$3,500 over the next 10 years.

The new report on how the Affordable Care Act is helping lower drug costs for people with Medicare is available at www.healthcare.gov/center/reports/medicare03222011a.html. To find out how many rebate checks have been distributed in your State, visit www.HealthCare.gov/center.

For more information on how the Affordable Care Act benefits seniors, visit www.HealthCare.gov, a web portal made available by the U.S. Department of Health and Human Services. People with Medicare can learn more about these new benefits, search for participating doctors in their area, and find other helpful information by contacting a trained customer service representative toll-free at 1-800-MEDICARE (1-800-633-4227) or by visiting www.Medicare.gov.

###

Note: All HHS press releases, fact sheets and other press materials are available at <http://www.hhs.gov/news>.