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## **BAUCUS SAYS MEDICARE TRUSTEES' REPORT SHOWS HEALTH REFORM REINING IN COSTS**

*Finance Chair: Health Reform Controlling Costs Means Medicare Will Remain Dependable for Seniors*

**Washington, DC** – Following today's release of the Medicare Trustees' Report, Senate Finance Committee Chairman Max Baucus (D-Mont.) said health reform is successfully reining in costs and keeping Medicare solvent for future generations of seniors. The report shows health reform extended the life of Medicare by eight years.

A similar report released last week [by the Urban Institute \(http://www.urban.org/publications/412544.html\)](http://www.urban.org/publications/412544.html) showed additional progress controlling costs in Medicare. The Urban Institute report projected Medicare costs would grow 3.9 percent per year between 2011 and 2020, significant improvement over the years prior to health reform, and slower growth than private-sector plans. The report said costs in private plans would grow at 4.9 percent each year over the same time span. Those savings represent billions in taxpayer dollars and a longer lifespan for Medicare.

**“Health reform built a framework that’s already reining in costs and improving seniors’ care,”** said Baucus. **“This progress controlling costs means Medicare will remain dependable for generations of Americans. More health reform tools to curb costs while maintaining high-quality care will go into effect in the coming years, so we need to let that process play out to continue saving seniors and taxpayers money.”**

[A separate report](http://www.cms.gov/apps/media/press/release.asp?Counter=4340&intNumPerPage=10&checkDate=&checkKey=&srchType=1&numDays=3500&srchOpt=0&srchData=&keywordType=All&chkNewsType=1%2C+2%2C+3%2C+4%2C+5&intPage=&showAll=&pYear=&year=&desc=&cboOrder=date)

[\(http://www.cms.gov/apps/media/press/release.asp?Counter=4340&intNumPerPage=10&checkDate=&checkKey=&srchType=1&numDays=3500&srchOpt=0&srchData=&keywordType=All&chkNewsType=1%2C+2%2C+3%2C+4%2C+5&intPage=&showAll=&pYear=&year=&desc=&cboOrder=date\)](http://www.cms.gov/apps/media/press/release.asp?Counter=4340&intNumPerPage=10&checkDate=&checkKey=&srchType=1&numDays=3500&srchOpt=0&srchData=&keywordType=All&chkNewsType=1%2C+2%2C+3%2C+4%2C+5&intPage=&showAll=&pYear=&year=&desc=&cboOrder=date) released today by the Centers for Medicare and Medicaid Services (CMS) detailed billions of dollars in health care savings as a result of the Affordable Care Act. According to that report, Medicare will save more than \$200 billion through 2016. In addition, beneficiaries in traditional Medicare will see nearly \$60 billion in lower out-of-pocket health care costs in the same time period. This report also outlines Affordable Care Act provisions that have yet to take effect that will make Medicare more sustainable for beneficiaries and taxpayers.

Health reform took major steps to move us toward a system that pays for the quality of care, rather than the quantity of care. And it invested in steps to help seniors remain healthy so that they could avoid costly procedures altogether. Medicare's Annual Wellness Visit – created in health reform – gives seniors the opportunity to discuss concerns with their doctors, review tips for prevent illness and learn new ways to better manage chronic conditions like high blood pressure and diabetes before they worsen and lead to expensive hospital stays. Health reform included provisions designed to boost primary care, which helps restrain costs and control premiums by identifying health issues early when they are most treatable.

Health reform also created the Medicare and Medicaid Innovation Center to put good ideas from the private sector into action. The center is already working with more than 7,100 organizations – hospitals, physicians, consumer groups and employers included – reducing costly hospital readmissions.

Over the coming years, several new cost-reducing ACA provisions will kick in. More [Accountable Care Organizations](http://finance.senate.gov/newsroom/chairman/release/?id=5e88529c-3a3e-415e-b048-e28ded23b972) (<http://finance.senate.gov/newsroom/chairman/release/?id=5e88529c-3a3e-415e-b048-e28ded23b972>), bundled payments and value-based payments will help improve and coordinate care across every level of medicine, including those covered by Medicare Part B, so that care is patient-centered and efficient.

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