AFFORDABLE CARE ACT

THE HEALTH CARE LAW IS CONTAINING COSTS

The health care law has numerous provisions to slow health care cost growth – including requiring new transparency and accountability for insurance companies; key delivery system reforms; fighting waste, fraud, and abuse; better coordinating care; and preventing diseases before they happen – which are now beginning to be implemented.

HEALTH CARE LAW IS SLOWING HEALTH CARE COST GROWTH BY REDUCING WASTE AND FRAUD AND PROMOTING HIGHER QUALITY CARE:

- Nearly $15 billion in fraudulent Medicare payments has been recovered on behalf of U.S. taxpayers over the last four years – primarily due to new tools to crack down on fraud in Medicare contained in the health care law.

- Hospital readmissions in Medicare have fallen for the first time on record, resulting in 70,000 fewer readmissions in the last half of 2012 alone.

- More than 250 new Accountable Care Organizations, serving 4 million Medicare enrollees, are getting paid according to the quality of the care they deliver, not the quantity.

GROWTH IN OVERALL HEALTH CARE SPENDING & MEDICARE SPENDING HAS DECREASED TO RECORD LOWS:

- Overall U.S. health care spending grew by only 3.9 percent in 2009, 2010, and 2011 (the latest year available) – with 3.9 percent the lowest growth rate for any year during the 52 years of the National Health Expenditure Accounts.

- Medicare per beneficiary spending rose by only 1.2 percent annually for the last three years – more than FIVE times lower than the annual growth rate of 6.3 percent over the previous 10 years.

- Medicaid per beneficiary spending actually dropped by 1.9 percent in 2012.

- As a result, according to CBO, Medicare and Medicaid will now spend $700 billion less over the 10-year period 2011 through 2020 than previously projected.

SOME PREMIUMS ARE STABLE & GROWTH IN OTHER PREMIUMS AT RECORD LOWS:

- The average premium for Medicare Advantage enrollees in 2013 is 10 percent lower than the average premium in 2010.

- The average premium for Medicare Part D (Rx drug program) will remain stable for the fourth straight year in 2014 – projected to be $31. For the last three years – plan years 2011, 2012 and 2013 – the average premium was $30.

- Premiums for Medicare Part B have gone up an average of less than 2 percent a year over the last five years.

- The growth of private plan premiums has also slowed. Annual premiums for employer-sponsored health coverage increased by only 3 percent in 2012 – the smallest increase since 1996.