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Health Care Reform: Questions & Answers Regarding Coverage for Seniors

My prescription drug spending will push me into the Medicare Part D donut hole this year. What relief will I get?

Seniors who hit the gap in Medicare Part D prescription drug coverage known as the "donut hole" will be provided with a 50 percent discount on the total cost of brand name drugs while in the gap. Other discounts on prescription drugs will be phased in through time. In addition, the Medicare share of costs will increase so that the donut hole will be completely closed by 2020.

Do I get free preventive care under Medicare, and what does it cover?

Proven preventive services are free of charge. In addition, an annual wellness visit that provides a personalized prevention plan service, including a health risk assessment, is provided under Medicare.

Some of the preventive services that are provided with no out-of-pocket costs include:

- Annual mammograms for women 40 and older
- Colorectal cancer screening, including flexible sigmoidoscopy or colonoscopy
- Cervical cancer screening, including Pap smear tests and pelvic exams
- Cholesterol and other cardiovascular screenings
- Diabetes screening
- Medical nutrition therapy to help manage diabetes or kidney disease
- Prostate cancer screening
- Annual flu shots and the Hepatitis B vaccine
- Bone mass measurement
- Abdominal aortic aneurysm screening to check for a bulging blood vessel
- HIV screening tests for those who are at an increased risk or who request to receive the test

Seniors who hit the donut hole will be provided with a 50 percent discount on the total cost of brand name drugs while in the gap.

How does health care reform affect the Medicare prescription drug deduction for employers?

Under the current Medicare prescription drug program, employers that provide prescription drug benefits for retirees can receive subsidies covering 28 percent of their coverage costs. They are also allowed to deduct the entire amount spent on the drug benefits from their taxable income, including the subsidized amount. The health care reform law reduces the amount that can be deducted beginning in 2013 to exclude the subsidized amount.