



H.R. 3590, "Patient Protection and Affordable Care Act"

Passed U.S. Senate December 24, 2009 – 60 to 39

Seniors / Medicare

- \$470.7 billion in Medicare Cuts¹
 - Includes \$127.7 billion in cuts from hospitals, skilled nursing facilities, and hospice care

- Cuts Medicare Advantage by \$120.1 billion
 - Implements a competitive bidding system over a three-year period beginning in 2012 (Section 3201)
 - Imposes arbitrary adjustment on Medicare Advantage payment benchmarks as part of the competitive bidding process
 - Provisions would collectively cut \$120.1 billion from Medicare Advantage and would result in millions of people losing access to their current plans and/or having benefits reduced or eliminated completely

- Gives Health and Human Services Secretary authority to reject any bid by a Medicare Advantage organization as well as any bid by a carrier offering private Medicare Part D prescription drug coverage (Section 3209)

- Contains no provision for a permanent fix in a sustainable growth rate formula for physicians

- Establishes a new Independent Medicare Advisory Board with fast-track authority to implement Medicare payment changes with limited options for Congressional intervention or amendments while working with the Centers for Medicare and Medicaid Services (Section 3403)
 - Board has authority to make recommendations related to total system costs, but does not possess fast-track authority to make changes to anything other than Medicare

- Phases out Medicare Part D ‘donut hole’ through pharmaceutical industry financing and a one-time \$500 reduction in 2010 (Section 3315)

¹ Joint Committee on Taxation. *Estimated Revenue Effects of the Manager’s Amendment to the Revenue Provisions Contained in the “Patient Protection and Affordable Care Act,”* available at <http://www.jct.gov/publications.html?func=startdown&id=3641>. 19 December 2009.