



# News Release

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## **FOR IMMEDIATE RELEASE**

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### **Health reform law saves \$48,999,065 for 84,168 Michigan residents with Medicare *New data show average American with Medicare to save nearly \$4,200 through 2021 thanks to health reform***

84,168 Michigan residents with Medicare saved \$48,999,065 on their prescription drugs in 2011 thanks to the Affordable Care Act, according to data issued today by the Department of Health and Human Services (HHS). Savings for people with Medicare will increase over time. According to a new report issued today from HHS, the average person with Medicare will save nearly \$4,200 by 2021 because of the new law.

“The Affordable Care Act is already saving money for millions of Americans with Medicare,” said HHS Secretary Kathleen Sebelius. “As we move forward, we will close the donut hole completely and save even more money for everyone with Medicare.”

The Affordable Care Act provides a 50 percent discount on brand-name prescription drugs and this year, a 14% discount on generics. Last year, it provided a seven percent discount on covered generic medications for people who hit the prescription drug coverage gap known as the donut hole, with 2,814,646 beneficiaries receiving \$32.1 million in savings on generics.

In 2011, the 84,168 residents of Michigan who hit the donut hole saved an average of \$582 on the cost of their prescription drugs.

Overall, 3.6 million Americans with Medicare saved \$2.1 billion on their prescription drugs in 2011 thanks to the Affordable Care Act. And data also show that women especially benefitted from the law’s provision with 2.05 million American women saving \$1.2 billion on their prescription drugs.

By 2020, the donut hole will be closed completely. The new report released today by the Department of Health and Human Services finds that this provision and other features of the health reform law will generate substantial savings for people with Medicare. Typical

Medicare beneficiaries will save an average of nearly \$4,200 from 2011 to 2021. People with high prescription drug costs could save as much as \$16,000.

The savings are a product of provisions in the Affordable Care Act and other cost trends that:

- Decrease prescription drug costs for seniors
- Make preventive services like mammograms free for everyone in Medicare
- Reduce growth in Part B premiums (for physician services)
- Reduce growth in cost-sharing under both Parts A (hospital care) and Part B.

These announcements come one day after HHS announced that in 2012, Medicare Advantage premiums have fallen by seven percent on average and enrollment has risen by about 10 percent since last year. For more details on that announcement, visit <http://www.hhs.gov/news/press/2012pres/02/20120201a.html>

For state-by-state savings figures for today's donut hole announcement, visit: <http://www.cms.gov/Plan-Payment/>

For a fact sheet about donut hole savings, visit [http://www.cms.gov/apps/media/fact\\_sheets.asp](http://www.cms.gov/apps/media/fact_sheets.asp)

For the [report](#) regarding savings those with Medicare will see over time, visit <http://aspe.hhs.gov/health/reports/2012/MedicareBeneficiarySavings/ib.shtml>

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