

Even health insurance reform's most ardent defenders would admit that there's a lot in the bill. Here's a straightforward timeline of how it will be implemented over the next few years.

### 2010

**Immediate Access to Insurance for Uninsured Individuals with a Pre-Existing Condition.** Provides immediate access to insurance for Americans who are uninsured because of a pre-existing condition through a temporary high-risk pool. Effective 90 days after enactment. (This provision ends in 2014 when pre-existing condition exclusions are banned for all plans.)

**Small Business Tax Credit.** Provides a tax credit for eligible small businesses for contributions to purchase health insurance for employees. The credit is up to 35 percent of the employer's contribution to provide health insurance for employees. There is also up to a 25 percent credit for small nonprofit organizations.

**Eliminating Pre-Existing Condition Exclusions for Children.** Bars health insurance companies from imposing pre-existing condition exclusions on children's coverage.

**Prohibiting Rescissions.** Prohibits health insurance companies from cancelling coverage treatment in existing health insurance policies when a person gets sick. Sometimes insurance companies do this as a way of avoiding covering the costs of enrollees' health care needs. It will now be illegal.

**Eliminating Lifetime Limits and Restricting Use of Annual Limits.** Prohibits lifetime limits on benefits in all group health plans and in the individual market and prohibits the use of restrictive annual limits.

**Free Preventive Care under New Private Plans.** Requires new private plans to cover preventive services with no co-payments and with preventive services being exempt from deductibles. Effective 6 months after enactment. (Beginning in 2018, this requirement applies to all plans.)

**Extends Coverage For Young People Up To 26th Birthday Through Parents' Insurance.** Requires health plans to allow young people up to their 26th birthday to remain on their parents' insurance policy, at the parents' choice. Effective 6 months after enactment.

**Bringing Down the Cost of Health Care Coverage.** All health plans must annually report on the share of premium dollars spent on medical care and provide consumer rebates for spending too much on administration instead of health care.

**Reducing the Cost of Covering Early Retirees.** Creates a new temporary reinsurance program to help companies that provide early retiree health benefits for those ages 55-64 offset the expensive cost of that coverage.

**Improving Consumer Information through the Web.** Requires the Secretary of Health and Human Services to establish an Internet website through which residents of any State may identify affordable health insurance coverage options in that State. The website will also include information for small businesses about available coverage options, reinsurance for early retirees, small business tax credits, and other information of interest to small businesses.

**Cheaper Prescription Drugs for Seniors.** Health insurance reform provides a \$250 rebate to Medicare Part D beneficiaries who hit the coverage gap known as the 'donut hole' in 2010. Effective for calendar year 2010. (Beginning in 2011, institutes a 50% discount on brand-name drugs in the coverage gap; completely closes the gap by 2020.)

**Ensuring Medicaid Flexibility for States.** A new option allowing States to cover parents and childless adults up to 133 percent of the Federal Poverty Level (FPL) and receive current law Federal Medical Assistance Percentage (FMAP) will take effect.

**Strengthening the Health Care Workforce.** Expands and improves low-interest student loan programs, scholarships, and loan repayments for health students and professionals to increase and enhance the capacity of the workforce to meet patients' health care needs.

**Indoor Tanning Services Tax.** Imposes a ten percent tax on amounts paid for indoor tanning services. The tax would be effective for services on or after July 1, 2010.

### 2011

**Increasing the Size of the Healthcare Workforce.** As the nation's healthcare needs grow, so too will the need for healthcare professionals to treat them. Health insurance reform increases the size of the nation's healthcare workforce in a number of ways beginning in 2011:

- **Increasing Reimbursement for Primary Care.** Provides a 10 percent Medicare bonus payment for primary care physicians and general surgeons.
- **Increasing Training Support for Primary Care.** Properly allocates medical student residency training slots in the Graduate Medical Education program to increase primary care training. Primary care and nurse training programs are also expanded to increase the size of the primary care and nursing workforce.

**Improving Health Care Quality and Efficiency.** Establishes a new Center for Medicare & Medicaid Innovation to test innovative payment and service delivery models to reduce health care costs and enhance the quality of care provided to individuals.

**Free Preventive Care under Medicare.** Provides a free, annual wellness visit and personalized prevention plan services for Medicare beneficiaries and requires new plans to cover preventive services with little to no cost sharing.

**Improving Consumer Assistance.** Requires the Secretary of Health and Human Services (HHS) to award grants to States to establish health insurance consumer assistance programs to receive and respond to inquiries and complaints concerning health insurance coverage.

**Transitioning to Reformed Payments in Medicare Advantage.** Begins to reduce the overpayments to private insurance companies for the administration of Medicare Advantage plans so that they are paid similarly to the cost of care under traditional fee-for-service Medicare.

**Cheaper Prescription Drugs for Seniors.** Provides a 50 percent discount on all brand-name drugs in the coverage gap known as the ‘donut hole’ and begins phasing in additional discounts on brand-name and generic drugs to completely close the donut hole for all Part D enrollees by 2020.

**Pharmaceutical Manufacturers Fee.** Imposes an annual responsibility fee on prescription drug makers to pay their fair share for health insurance reform. The fee is allocated according to market share and does not apply to companies with sales of name-brand pharmaceuticals of \$5 million or less.

## 2012

**Doctor Payment Reforms For Healthier Patients and Eliminating Waste.** Implements physician payment reforms that enhance payment for primary care services and encourage physicians to join together to form “accountable care organizations” to gain efficiencies and improve quality.

**Linking Payment to Quality Outcomes.** Establishes a hospital value-based purchasing program to incentivize enhanced quality outcomes for acute care hospitals.

**Reducing Avoidable and Expensive Hospital Readmissions.** Directs CMS to track hospital readmission rates for certain high-volume or high-cost conditions and uses new financial incentives to encourage hospitals to undertake reforms needed to reduce preventable readmissions, which will improve care for beneficiaries and rein in unnecessary health care spending.

## 2013

**Encouraging Provider Collaboration.** Establishes a national pilot program on payment bundling to encourage hospitals, doctors, and post-acute care providers to work together to achieve savings for Medicare through increased collaboration and improved coordination of

patient care.

**Limiting Health Flexible Savings Account Contributions.** Limits the amount of contributions to health FSAs to \$2,500 per year, an amount indexed by the Consumer Price Index for subsequent years.

**Additional Hospital Insurance Tax for High Wage Workers.** Increases the hospital insurance tax rate by 0.9 percentage points on an individual taxpayer earning over \$200,000 (\$250,000 for married filing jointly). The 0.9 percent increase applies only to the income over \$200,000 for an individual or \$250,000 for joint filers. For example, a couple filing jointly that earns \$300,000 will only pay an additional \$450 (\$50,000 times 0.9 percent). Expands the taxable base to include net investment income in the case of taxpayers earning over \$200,000 (\$250,000 for joint returns).

**Medical Device Manufacturer Fee.** Establishes a 2.9 percent tax on the first sale for use of a medical device on its manufacturer. Eye glasses, contact lenses, hearing aids, and any device of a type that is generally purchased by the public at retail for individual use is exempt from the tax.

**Limiting Executive Compensation.** Limits the deductibility of executive compensation for insurance companies if more than a quarter of that company's plans don't meet minimum coverage requirements. The deduction is limited to \$500,000 per taxable year and applies to all officers, employees, directors, and other workers or service providers performing services, for or on behalf of, a covered health insurance provider. This provision is effective beginning in 2013 with respect to services performed after 2009.

## 2014

**Eliminates Pre-Existing Condition Exclusions.** Health plans can no longer exclude coverage for treatments based on pre-existing health conditions.

**Prohibits Discrimination Based on Health History.** It also limits the ability of insurance companies to charge higher rates due to health status, gender, or other factors. Premiums can vary only on age (no more than 3:1), geography, family size, and tobacco use.

**Eliminating Annual Limits.** Prohibits health plans from imposing annual limits on the amount of coverage an individual may receive.

**Ensuring Coverage for Individuals Participating in Clinical Trials.** Prohibits new health plans from dropping coverage because an individual chooses to participate in a clinical trial and from denying coverage for routine care that they would otherwise provide just because an individual is enrolled in a clinical trial. Applies to all clinical trials that treat cancer or other

life-threatening diseases.

**Establishing Health Insurance Exchanges.** Opens health insurance Exchanges in each State to individuals and small employers. This new venue will enable people to comparison shop for standardized health packages. It facilitates enrollment and administers tax credits so that people of all incomes can obtain affordable coverage.

**Ensuring Choice through a Multi-State Option.** Provides a choice of coverage through a multi-State plan, available from nationwide health plans under the supervision of the Office of Personnel Management.

**Middle Class Affordability Health Care Tax Credits.** Makes premium tax credits available through the Exchange to ensure people can obtain affordable coverage. Tax credits apply to both premiums and cost-sharing to ensure that no family faces bankruptcy due to medical expenses again.

**Promoting Individual Responsibility.** Requires most individuals to obtain acceptable health insurance coverage or pay a penalty of \$95 for 2014, \$325 for 2015, \$695 for 2016 (or, up to 2.5 percent of income in 2016), up to a cap. Families will pay half the amount for children, up to a cap of up to a cap of \$2,250 per family. After 2016, dollar amounts are indexed. If affordable coverage is not available to an individual, they will not be penalized.

**Promoting Employer Responsibility.** Requires employers with 50 or more employees who do not offer coverage to their employees to pay \$2,000 annually for each full-time employee over the first 30 as long as one of their employees receives a tax credit. Precludes waiting periods over 90 days. Requires employers who offer coverage but whose employees receive tax credits to pay \$3,000 for each worker receiving a tax credit up to an aggregate cap of \$2,000 per full-time employee.

**Increasing Access to Medicaid.** Medicaid eligibility will increase to 133 percent of poverty for all non-elderly individuals to ensure that people obtain affordable health care in the most efficient and appropriate manner. States will receive increased federal funding to cover these new populations.

**Small Business Tax Credit.** Continues the second phase of the small business tax credit for qualified small employers, increasing the size of the tax credit to eligible small businesses to 50 percent.

**Quality Reporting for Certain Providers.** Places certain providers – including ambulatory surgical centers, long-term care hospitals, inpatient rehabilitation facilities, inpatient psychiatric facilities, PPS-exempt cancer hospitals and hospice providers – on a path toward value-based purchasing by requiring the Secretary to implement quality measure reporting programs in these areas and also pilot test value-based purchasing for each of these providers in subsequent years.

**Health Insurance Provider Fee.** Imposes an annual, non-deductible fee on the health

insurance sector allocated across the industry according to market share. The fee does not apply to companies whose net premiums written are \$25 million or less.

### 2015

**Continuing Innovation and Lower Health Costs.** Establishes an Independent Payment Advisory Board to develop and submit proposals to Congress aimed at extending the solvency of Medicare, lowering health care costs, improving health outcomes for patients, promoting quality and efficiency, and expanding access to evidence-based care.

**Paying Physicians Based on Value Not Volume.** Creates a physician value-based payment program to promote increased quality of care for Medicare beneficiaries.

### 2018

**Excise tax on high cost employer-provided health plans becomes effective.** Tax is on the cost of coverage in excess of \$27,500 (family coverage) and \$10,200 (single coverage), increased to \$30,950 (family) and \$11,850 (single) for retirees and employees in high risk professions. The dollar thresholds are indexed to inflation, and employers with higher costs on account of the age or gender of their employees may value their coverage using the age and gender demographics of a national risk pool.