

The Affordable Care Act

On March 23, 2010, President Obama signed the Affordable Care Act into law. Here is a summary of some of the law's provisions. For more information, see www.healthcare.gov

2010 Changes:

- *Extended coverage for young adults:* Young adults can now stay on their parent's plan until the age of 26.
- *Free preventative care procedures:* All new plans have to provide certain procedures like mammograms or colonoscopies without charging a co-pay, deductible or coinsurance.
- *Small business tax credits:* Up to 4 million businesses are eligible to receive a credit worth up to 35% of the employer's contribution to employee health insurance.
- *Consumer protection:* The law offers a way for consumers to appeal decisions to their



- insurance companies and an external review process.
- *No more lifetime limits:* Insurance companies are prohibited from imposing lifetime dollar limits on essential services, like hospital stays.
- *No denying coverage to children:* Children under the age of 19 cannot be denied coverage because of a pre-existing condition.
- *Encouraging primary care doctors:* The law offers incentives to increase the number of primary care physicians, nurses and physicians assistants, especially in underserved areas. It also provides increased support to rural health care providers, who often face obstacles to serving their communities.
- *Funding for disease prevention:* The funding for a \$15 billion Prevention and Public Health Fund starts in 2010. It will invest in public health programs that have demonstrated success.

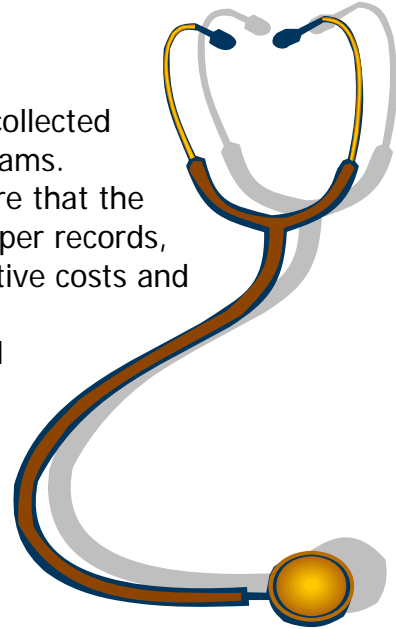
2011 Changes:

- *Improved Accountability:* 85% of premium dollars will have to be spent on health care services and health care quality improvements. 80% for plans sold to small employers and individuals. If insurance companies spend too much on administrative costs or their profits are too high, they will have to issue rebates.
- *Medicare improvements:* Reducing overpayments to big insurance companies and making Medicare Advantage stronger.
- *Center for Medicare and Medicaid Innovation:* The law creates this center to help improve care and decrease the rate at which costs increase for government insurance programs.

- *Helping seniors after hospital stays:* The Community Care Transitions Program will help Medicare recipients through coordinated care and helping them access services after hospital stays.
- *More home options for disabled:* Medicare receivers will have more home care options, instead of needing to use nursing homes.
- *Closing the Medicare 'donut hole':* Will provide up to a 50% discount on brand name drugs covered by Medicare, and additional discounts in the future until the coverage gap is closed.

Future Changes:

- *Understanding disparities in Health:* More data will be collected on race, ethnicity and language in Federal health programs.
- *Digitalizing administrative work:* The law will help ensure that the health care industry, which has continued to rely on paper records, will move to electronic records, thus cutting administrative costs and easing the sharing of information.
- *Creating more access to preventative care:* The law will provide more funding to state Medicaid programs that cover preventative care at little to no cost.
- *More bundling of payments:* Doctors, hospitals and providers will be able to be paid a flat rate for an entire episode of care, instead of charging by each individual procedure/visit. This will encourage doctors to work together to provide a better quality of care.
- *Creation of insurance exchanges:* If your employer doesn't offer insurance, or you can't afford their plan, you will be able to get insurance through an exchange. This exchange will offer plans that meet cost and benefits standards. Starting in 2014, members of Congress will be getting their insurance through these exchanges.
- *Increasing access to Medicaid:* Families and individuals earning less than 133% of the federal poverty level will be eligible for Medicaid. States will receive more 100% federal funding to cover the costs of this expanded coverage.
- *Tax credits for the middle class:* Tax credits for those making between 100% and 400% of the poverty level will be made available, to help make it possible to afford health insurance.
- *Making it easier to get coverage for pre-existing conditions:* The law prohibits discrimination based on pre-existing conditions or gender. It will also make it more difficult to charge higher rates based on gender or health status.
- *Tax credit for small businesses:* In 2014, the second phase of the small business tax credit will take effect, making it easier for small businesses and non-profits to provide health insurance for employees. The first phase took effect this year.
- *Tying payments to value:* Physicians who provide better quality of care, versus a higher volume of care, will receive higher payments recognizing the higher quality.



Source: www.healthcare.gov/law/timeline/index.html