# Health Care Reform Timeline

***A summary of the law's major provisions***

| **2010** |
|---|
| $5 billion is given to establish a temporary national high-risk pool to provide health coverage to individuals with pre-existing medical conditions. If this funding runs out and is not extended, individuals may be placed on waiting lists. States will have several options of how to implement a pool that meets federal standards. |
| Insurance companies may not rescind coverage, except in cases of fraud. |
| Limited protections to preclude insurance from excluding children with pre-existing conditions. |
| Those up to age 26 who are claimed as dependents may stay on their parent's insurance for all individual and group policies. |
| Lifetime benefit limits on policies are prohibited. Annual limits are only permitted as allowed by the Secretary of Health and Human Services. |
| Health plans may not require cost-sharing for certain immunizations and preventive care for infants, children and women. |
| Tax credits become available for small employers with less than 25 employees and average annual wages of less than $50,000 and who provide health insurance for employees and contribute at least 50 percent of total premium costs for their employees' health insurance. The tax credit operates on a sliding scale, with a full credit equaling 35 percent of employees' premiums for businesses with 10 or fewer employees and average annual wages of $25,000. |
| Insurers must annually report on the percentage of premium dollars spent on medical care and provide consumer rebates if the ratios - 85% for plans in the large group market and 80% for plans in the individual and small group markets - are deemed insufficient. |
| Medicare cuts begin for inpatient hospitals, home health, skilled nursing facilities, hospice and other providers. |
| Medicare will provide a $250 rebate to beneficiaries who fall in the Part D coverage gap. |
| New physician-owned hospitals are banned from being able to participate in Medicare, and the growth of existing physician-owned hospitals is limited. |
| New requirements on non-profit hospitals, with a tax of $50,000 per year for facilities that do not meet the new requirements. |
| 10% tax on indoor tanning services. |

# Health Care Reform Timeline

| 2011 |
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| The community living assistance services and supports (CLASS) program is established as a national voluntary long-term care insurance program. Employers who chose to participate would automatically enroll employees, who would then have the ability to opt out. |
| Additional Medicare cuts begin for hospitals and new cuts begin for nursing homes and inpatient rehab facilities. |
| Medicare cuts begin for diagnostic imaging (MRIs, etc,). |
| Medicare cuts begin for Ambulatory Surgery Centers, diagnostic labs, and durable medical equipment. |
| Seniors are prohibited from purchasing power wheelchairs unless they first rent for 13 months. |
| Significant cuts to the Medicare Advantage program begin – which could threaten plans from staying in the marketplace. Seniors would still be eligible for traditional Medicare. |
| Drug discounts for those in the Part D coverage gap begin. Pharmaceutical manufacturers will provide a 50% discount on brand-name prescriptions in the coverage gap beginning in 2011, and begin phasing-in federal subsidies for generic prescriptions filled in the Medicare Part D coverage gap. |
| Cost-sharing for certain preventive services in Medicare is eliminated. |
| Chain restaurants and food sold from vending machines are required to disclose the nutritional content of each item. |
| Wealthier seniors - individuals with income above $85,000 and couples with income above $170,000 - begin paying higher Medicare Part D premiums. |
| HRA and FSA owners are prevented from being reimbursed for over-the-counter products, and for HAS owners, the tax on distributions from a health savings account that are not used for qualified medical expenses is increased to 20%. |

| 2012 |
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| Medicare cuts begin to hospitals with high readmission rates. |
| Medicare cuts to hospice and dialysis treatment centers begin. |

# Health Care Reform Timeline

| 2013 |
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| Medicaid payments for primary care services provided by primary care doctors are increased for 2013 and 2014 using 100% federal funding, creating a funding cliff in 2015. |
| Tax deduction for employers who offset retiree prescription drug coverage is eliminated. |
| A new tax of 2.3% on many medical device manufacturers is imposed, which will be passed on to consumers. |
| The Consumer Operated and Oriented Plan (CO-OP) program is established to create non-profit health insurance companies. |
| Simplify health insurance administration by streamlining claims among insurers. |
| Threshold for deducting medical expenses is raised from 7.5% to 10%. |
| Medicare payroll tax is increased to 3.8% for individuals with income above $200,000 and couples with income above $250,000 – not to extend the Medicare program, but to pay for other reform provisions. |
| A new tax of 3.8% on investment income is imposed on individuals with income above $200,000 and couples with income above $250,000. |
| Contributions to flexible spending account for medical expenses are limited to $2,500 per year. |

| 2014 |
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| Individual mandate begins, requiring all Americans to purchase health insurance or face tax penalties of up to $695 or 2.5% of income, whichever is greater. |
| Employers with more than 50 full-time employees who do not offer health insurance or who offer coverage but whose employees receive a federal insurance subsidy will pay a penalty of $2,000 per employee. |
| Individuals or families above the Medicaid eligibility cutoff, but below 400% of poverty (currently $88,200 for a family of four) who do not get their insurance through their employer will get a tax credit to purchase insurance through the new government exchanges. |
| States must establish a health insurance exchange to sell government approved policies. Insurers in the exchange must offer coverage to anyone wanting it, regardless of preexisting conditions. Insurance plans must include federal government-determined coverage and will provide different levels of cost sharing responsibilities. Individuals can only be charged differently based on age, geography, family size and smoking. |

# Health Care Reform Timeline

| 2014 (cont.) |
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| Independent Payment Advisory Board (IPAB) begins submitting proposals to cut Medicare, and must cut $15.5 billion from 2015-2019, and hundreds of billions of dollars in future years. |
| Expands Medicaid to all non-Medicare eligible individuals under age 65 with incomes up to 133% of the federal poverty level. |
| States' Medicaid Disproportionate Share Hospital (DSH) allotments are reduced. |
| Medicare Disproportionate Share Hospital (DSH) payments are reduced by at least 75%. |
| A new annual tax on health insurance providers is imposed, which will be passed on to policyholders. |
| State-based American Health Benefit Exchanges and Small Business Health Options Program (SHOP) Exchanges are created, through which small businesses with up to 100 employees can purchase qualified coverage. |
| The Office of Personnel Management will begin to contract with insurers to offer at least two multi-state plans in each Exchange. |

| 2018 |
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| A new tax of 40% on insurers of employer-sponsored health plans that are deemed "too generous" – the so-called "Cadillac" plans – is imposed. |


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