

Healthcare Reform Bill of 2010

Summary of Contents & Timeline



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Healthcare Reform Bill 2010

- President Barack Obama proudly signed the historic Healthcare Reform bill into law on March 23, 2010.



Reconciliation Portion

1. “More generous subsidies to people eligible for federal help buying insurance;”
2. Funding to close the “doughnut hole” in Medicare prescription drug coverage;



Reconciliation Portion (Cont'd)

- A delay until 2018 on the 40% excise tax on employer-provided "Cadillac insurance policies," and
- A 3.8% Medicare tax on investment income for the top level of earners.



American Medical Association

- March 21, 2010, the AMA said that “passage of health system reform by the U.S. House of Representatives today is an important step toward providing coverage to all Americans and improving our nation’s health system.”



AMA: Benefits Patients & Doctors

- Extends health coverage to “tens of millions of uninsured;
- Improves competition and choice in the insurance marketplace;
- Promotes prevention and wellness;
- Reduces administrative burdens; and
- Promotes clinical comparative effectiveness research



AMA: Benefits to Physicians

- Increased payments for primary care physicians caring for Medicaid patients, &
- Bonus payments for physicians in underserved areas.
- [AMA posted in March 2010](#) answers to frequently asked questions about healthcare reform legislation.



American Academy of Family Physicians

- “A comprehensive health care reform bill that will expand coverage to millions of people and move the country toward a more primary care-based health care system.”
- AAFP President Lori Heim, MD, said: “the bill is not perfect”, and “this legislation is the beginning,”



American College of Physicians

- The Healthcare Reform legislation includes “some important first steps to begin to reverse a catastrophic shortage of primary care physicians,”
- “More will need to be done to ensure that patients will have timely access to care by an internist or other primary care physician of their choice.”



Opposing Views

- Association of American Physicians and Surgeons
- Physicians for a National Health Plan
- Physicians United for Patients -- which represents the views of more than a dozen medical societies



2010_First Year of Enactment

1. Insurance companies will be barred from dropping people from coverage when they get sick.
2. Lifetime coverage limits will be eliminated and annual limits are to be restricted.



2010_First Year of Enactment

3. Insurers will be barred from excluding children for coverage because of pre-existing conditions.
4. Young adults will be able to stay on their parents' health plans until the age of 26. Many health plans currently drop dependents from coverage when they turn 19 or finish college.



2010_First Year of Enactment

5. Uninsured adults with pre-existing conditions will be able to obtain health coverage; expires once new insurance exchanges start in 2014.
6. A temporary reinsurance program is created to help companies maintain health coverage for early retirees ages 55-64; expires in 2014.



2010_First Year of Enactment

7. Medicare drug beneficiaries who fall into the "doughnut hole" coverage gap will get a \$250 rebate. The bill eventually closes that gap which currently begins after \$2,700 is spent on drugs. Coverage starts again after \$6,154 is spent.



2010_First Year of Enactment

8. A tax credit becomes available for some small businesses to help provide coverage for workers.
9. A 10 percent tax on indoor tanning services that use ultraviolet lamps goes into effect on July 1.



2011_Healthcare Reform

1. Medicare provides 10 percent bonus payments to primary care physicians and general surgeons.
2. Medicare beneficiaries will be able to get a free annual wellness visit and personalized prevention plan service. New health plans will be required to cover preventive services with little or no cost to patients.



2011_Healthcare Reform

3. A new program under the Medicaid plan for the poor goes into effect in October that allows states to offer home and community based care for the disabled that might otherwise require institutional care.



2011_Healthcare Reform

4. Payments to insurers offering Medicare Advantage services are frozen at 2010 levels. These payments are to be gradually reduced to bring them more in line with traditional Medicare.



2011_Healthcare Reform

5. Employers are required to disclose the value of health benefits on employees' W-2 tax forms.
6. An annual fee is imposed on pharmaceutical companies according to market share. The fee does not apply to companies with sales of \$5 million or less.



2012_Healthcare Reform

1. Physician payment reforms are implemented in Medicare to enhance primary care services and encourage doctors to form "accountable care organizations" to improve quality and efficiency of care.



2012_Healthcare Reform

2. An incentive program is established in Medicare for acute care hospitals to improve quality outcomes.
3. The Centers for Medicare and Medicaid Services, which oversees the government programs, begin tracking hospital readmission rates and puts in place financial incentives to reduce preventable readmissions.



2013_Healthcare Reform

1. A national pilot program is established for Medicare on payment bundling to encourage doctors, hospitals and other care providers to better coordinate patient care.



2013_Healthcare Reform

2. The threshold for claiming medical expenses on itemized tax returns is raised to 10 percent from 7.5 percent of income.

The threshold remains at 7.5 percent for the elderly through 2016.



2013_Healthcare Reform

3. The Medicare payroll tax is raised to 2.35 percent from 1.45 percent for individuals earning more than \$200,000 and married couples with incomes over \$250,000.

The tax is imposed on some investment income for that income group.



2013_Healthcare Reform

4. A 2.9 percent excise tax is imposed on the sale of medical devices.

Anything generally purchased at the retail level by the public is excluded from the tax.



2014_Healthcare Reform

1. State health insurance exchanges for small businesses and individuals open.
2. Health plans no longer can exclude people from coverage due to pre-existing conditions.
3. Health insurance companies begin paying a fee based on their market share.



2014_Healthcare Reform

4. Most people will be required to obtain health insurance coverage or pay a fine if they don't. Healthcare tax credits become available to help people with incomes up to 400 percent of poverty purchase coverage on the exchange.



2014_Healthcare Reform

5. Employers with 50 or more workers who do not offer coverage face a fine of \$2,000 for each employee if any worker receives subsidized insurance on the exchange.

The first 30 employees aren't counted for the fine.



2015_Healthcare Reform

1. Medicare creates a physician payment program aimed at rewarding quality of care rather than volume of services.



2018_Healthcare Reform

1. An excise tax on high cost employer-provided plans is imposed. The first \$27,500 of a family plan and \$10,200 for individual coverage is exempt from the tax. Higher levels are set for plans covering retirees and people in high risk professions.