



### Health Reform Implementation Timeframe: Key Provisions

Date	Provision
2010	<ul style="list-style-type: none"> <li>• High Risk pool program to begin funding \$5B for health insurance coverage for eligible individuals (within 90 days of enactment until January 1, 2014).</li> <li>• Insurance reforms imposed: no denial of coverage to children with preexisting conditions, children permitted to remain on parents' policies until age 26, prohibits lifetime limits on dollar value of coverage (within 6 months).</li> <li>• States must establish and implement process for reviewing premium increases.</li> <li>• For tax years 2010-2013, employer tax credit Phase I.</li> <li>• Imposes 10% tax on indoor tanning services.</li> <li>• Requires insurance companies to report medical loss ratios.</li> <li>• Establish an office of health insurance consumer assistance or ombudsman program to advocate for people with private coverage in the individual and small group markets.</li> <li>• Authorizes FDA to approve FOBs.</li> <li>• Establishes Patient-Centered Outcomes Research Institute.</li> <li>• \$250 rebate to Medicare beneficiaries reaching Part D coverage gap in 2010.</li> </ul>
2011	<ul style="list-style-type: none"> <li>• Excludes costs for OTC drugs not prescribed by a doctor from being reimbursed through an HRA or health FSA and from being reimbursed on a tax-free basis through an HSA or Archer Medical Savings Account.</li> <li>• Increase tax on distributions from HSA or Archer MSA not used for qualified medical expenses to 20%.</li> <li>• Imposes \$2.5 billion fee on pharmaceutical manufacturing sector.</li> <li>• Requires insurance companies to begin providing rebates related to medical loss ratios.</li> <li>• Develop standards for insurers to use in providing information on benefits and coverage.</li> <li>• Rules adopted by July 1 for simplifying health insurance administration by adopting a single set of operating rules for eligibility verification and claims status.</li> <li>• Revised payments to MA begin, phased in over 3 years.</li> <li>• Creates payment innovation center within CMS.</li> <li>• Establish CLASS program.</li> <li>• 50% discount on prescriptions filled in Part D coverage gap.</li> <li>• Begin phase-in of subsidies of 75% of generic drug cost for prescriptions filled in the Part D Coverage gap.</li> <li>• Increases funding to community health centers by \$11B over five years.</li> </ul>
2012	<ul style="list-style-type: none"> <li>• Imposes \$3.0 billion fee on pharmaceutical manufacturing sector through 2016.</li> <li>• Electronic funds transfers and health care payment and remittance rules adopted by July 1.</li> <li>• Reduce Medicare payments for preventive hospital readmissions.</li> </ul>



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<p><b>2013</b></p>	<ul style="list-style-type: none"> <li>• Limit amount of contributions to an FSA for medical expenses from 7.5% of adjusted gross income to 10% for regular tax purposes. Waives increase for individuals 65 and older for tax years 2013-2016.</li> <li>• Increases Medicare Part A tax rate on wages by 0.9% on earnings over \$200,000 for individuals and \$250,000 for married couples filing jointly. Imposes a 3.8% tax on unearned income for higher-income taxpayers.</li> <li>• Eliminates tax deduction for employers receiving Medicare Part D retiree drug subsidy payments.</li> <li>• Imposes excise tax of 2.9% on the sale of any taxable medical device.</li> <li>• Create the Consumer Operated and Oriented Plan (CO-OP) program. Appropriate \$6 billion to finance program and award loans and grants to establish CO-OPs by July 1.</li> <li>• Regulations issued by July 1 permitting states to form health care choice compacts and allow insurers to sell policies in any state participating in the compact.</li> <li>• Administrative simplification rules become effective Jan 1.</li> <li>• Electronic funds transfers and health care payment and remittance rules become effective Jan. 1.</li> <li>• Federal subsidies of 25% of brand name drug cost phase-in begins.</li> <li>• Medicare pilot program begins to test bundled payments.</li> </ul>
<p><b>2014</b></p>	<ul style="list-style-type: none"> <li>• Individual mandate phased-in.</li> <li>• Premium and cost-sharing subsidies to individuals.</li> <li>• Employer mandate begins.</li> <li>• For tax years 2014 and beyond, employer tax credit Phase II begins.</li> <li>• Medicaid expansion begins. States to receive 100% federal financing for increased payment rates through 2016, after which the payment will phase-down.</li> <li>• Temporary reinsurance program for employers providing insurance to retirees over age 55 still not eligible for Medicare begins.</li> <li>• Imposes \$8 billion fee on insurance sector.</li> <li>• Provisions relating to American Health Benefit Exchanges effective January 1, unless otherwise noted.</li> <li>• Creates essential health benefits package. All health plans except grandfathered individual and employer-sponsored plans, required to offer at least the essential health benefits package.</li> <li>• Grandfathered group plans may only impose annual limits as determined by HHS. Must eliminate pre-existing condition exclusions for adults.</li> <li>• Limit waiting periods for coverage to 90 days.</li> <li>• Allow states the option of merging the individual and small group markets.</li> <li>• Require risk adjustment in the individual and small group markets.</li> <li>• States permitted to create a Basic Health Plan for uninsured individuals between 133-200% FPL in lieu of these individuals receiving premium subsidies to purchase coverage in the Exchange.</li> <li>• Health claims or equivalent encounter information, enrollment and disenrollment in a health plan, plan premium payments and referral certification and authorization rules adopted by July 1.</li> </ul>



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<b>2015</b>	<ul style="list-style-type: none"> <li>• Imposes \$11.3 billion fee on insurance sector through 2016.</li> <li>• Creates state-based American Health Benefit Exchanges and Small Business Health Options Program Exchanges for individuals &amp; small businesses with up to 100 employees.</li> </ul>
<b>2016</b>	<ul style="list-style-type: none"> <li>• Health claims or equivalent encounter information, enrollment and disenrollment in a health plan, plan premium payments and referral certification and authorization rules effective by Jan. 1.</li> </ul>
<b>2017</b>	<ul style="list-style-type: none"> <li>• Imposes \$3.5 billion fee on pharmaceutical manufacturing sector.</li> <li>• Imposes \$13.9 billion fee on insurance sector.</li> <li>• States may allow businesses with more than 100 employees to purchase coverage in the SHOP exchange.</li> </ul>
<b>2018</b>	<ul style="list-style-type: none"> <li>• Excise tax on “Cadillac plans” valued at more than \$10,300 for individual coverage and \$27,500 for family coverage.</li> <li>• Imposes \$4.2 billion fee on pharmaceutical manufacturing sector.</li> <li>• Imposes \$14.3 billion fee on insurance sector.</li> <li>• IPAB recommendations submitted if Medicare per capita spending exceeds GDP per capita plus 1%.</li> </ul>
<b>2019</b>	<ul style="list-style-type: none"> <li>• Imposes \$2.8 billion fee on pharmaceutical manufacturing sector.</li> </ul>