

Timeline at a Glance

2010

Insurance

Pre-existing exclusions
High-risk pool installed
Rescissions
Prohibition of lifetime limits
Annual limit regulations
Dependent coverage
Premium amounts monitored
Early retiree coverage
Consumer assistance
Health care fraud

Medicare/Medicaid

Donut hole rebate
Rural provisions
Medicaid state plan

Tax

Small business tax credit
Adoption credit and assistance
State loan repayment
BCBS medical loss ratio
Indoor tanning tax

Workforce

Workforce commission
School loan program

Miscellaneous

Preventive health actions
Funding community health centers
Consumer health care website
Quality infrastructure
Outcomes research institute
Nonprofit hospital requirements
New therapies credit

2011

Prevention

Healthy living strategy
Wellness and prevention program
Cost-sharing eliminated

Medicare/Medicaid

Prescription drug discount
Medicare physician bonus
Medicare Advantage lowered payments
Medicare spending reduction reward
New Medicare and Medicaid programs
State plan options

Tax

Annual pharmaceutical fee
Non-qualified withdrawal tax increase

Miscellaneous

Long-term care program
Medical malpractice suits
Improve health care quality
Low-income health providers program
Trauma unit efficiency
Increased health care access

2012

Medicare/Medicaid

Hospital readmissions
Medicaid payments
Medicare purchasing program
Medicare Advantage rebate

Quality

Accountable care organization
Quality improvement in rural areas

2013

Insurance

Executive compensation
Outcomes research trust fund
Deduction for medical expenses
CO-OP program

Medicare/Medicaid

Medicaid payment for primary care
Medicare Part D subsidy
Pharmaceutical federal financial support

Tax

Excise tax on medical devices
Hospital insurance tax
Flexible Savings Account contribution

Miscellaneous

Administrative simplification
Provider collaboration
Relationship disclosure

2014

Insurance

Health insurance exchanges
Multi-state option
Small group/Individual deductibles
Coverage waiting period
Insurance plan requirements
State option

Medicare/Medicaid

Medicare Part D out-of-pocket limit
Medicare Advantage lower MLR
Spending cap
Medicaid expansion

Tax

Health insurance sector fee
Small business tax credit part two

Miscellaneous

Required health care
Employer required health care
Prevention programs incentive
Premium subsidy

2015+

Insurance

State compacts

Medicare/Medicaid

Independent payment advisory board
Physician payment program
Hospital-acquired conditions

Tax

High-cost plan excise tax

Insurance.

Pre-Existing Conditions. Health insurance companies are no longer allowed to exclude children with pre-existing conditions¹.

High-Risk Pool. Offer those with pre-existing medical conditions the opportunity to obtain affordable health coverage through a national high-risk pool² until Exchanges are established.

Rescissions. Prohibits health insurance companies from voiding existing policies because the enrollee became sick.

Lifetime Limits. Insurers prohibited from enacting limits on health care benefits through the duration of an enrollee's life.

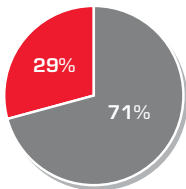
Annual Limits. Secretary of Health and Human Services³ (HHS) must establish regulations for annual limits to make sure enrollees have access to health care.

Dependent Coverage. Health insurance plans must extend coverage to adult children dependents up to age 26.

Cost of Coverage. Establish review process for health plans, including grandfathered plans⁴, to monitor the amount of premium spent on health care. Excessive medical loss ratios⁵ (MLR) must be refunded to consumers. Premium increases must be reported and justified.

Insurance companies should be required to publicly disclose its justification for premiums.

■ YES ■ NO



Early Retiree Coverage. Companies who offer early retirement to those aged 55-64 will receive a temporary reinsurance plan to aid in health care cost.

Consumer Assistance. HHS will provide aid, through an ombudsman⁶ program, in the state establishment of health insurance consumer assistance programs which will handle all health care questions and complaints.

Health Care Fraud. Improved screening processes to eradicate fraud and waste in the health care system.

Medicare/Medicaid.

Donut Hole Rebate. Furnishes a \$250 refund to Medicare Part D⁷ enrollees who fall into the donut hole⁸.

Rural Providers. Medicare payment protections extended for rural hospitals and facilities that have few Medicare patients.

Medicaid Flexibility. Creates a new program to cover eligible individuals through a state Medicaid plan.

Tax.

Phase One Small Business Tax Credit. Credit up to 35 percent of the employer's contribution to small business employers who provide employee health insurance coverage, 25 percent credit to small nonprofit organizations.

Adoption Credit and Assistance. Adoption tax credit and assistance exclusion increased by \$1,000. The credit is available through 2011 and is refundable.

State Loan Repayment. Excludes payments made, under any state loan repayment or loan forgiveness program that is intended to provide for the improved accessibility of health care in inadequately serviced areas, from gross income.

Special Deduction for BCBS. In order to qualify for the 25 percent tax deduction and other allotted tax benefits, BCBS nonprofit organization must have an MLR of 85 percent or more.

Indoor Tanning. Applies a 10 percent indoor tanning tax.

Workforce.

Workforce Commission. Creates an unbiased National Commission responsible for working with Congress to balance national health care requirements and federal workforce resources.

Health Care Workforce. Improve the loan programs and repayment process for students seeking medical degrees in order to allow for medical professionals to more efficiently meet patient needs.

Miscellaneous.

Preventive Health. First dollar coverage for preventive services must be supplied for all new health plans. Create a council to encourage policies based on healthy lifestyles as well as a fund which will aid in the promotion of public prevention and wellness.

Community Health Centers. Fund growth of community health centers.

Consumer Information. Create a public-wide website for the individual use of finding affordable health insurance coverage. The website will also contain pertinent information for small businesses.

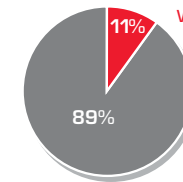
Quality Infrastructure. HHS to support quality improvements of Medicare, Medicaid and Children's Health Insurance Program (CHIP) through national programs.

Outcomes Research Institute. Institutes a private, nonprofit organization to designate national priorities and provide for research to compare the efficiency of health treatments and tactics.

Nonprofit Hospitals. New requirements for nonprofit hospitals and taxed if they are not meeting new standards.

New Therapies. Temporary funding of up to \$1 billion toward new therapy treatment and prevention research.

Over time, we will see a drop in the number of primary care physicians thus increasing wait time at the doctor's office.



■ I think this will be a significant issue.
 ■ I don't think this will be a problem.

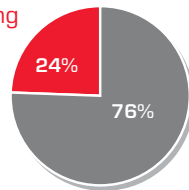
Prevention.

Healthy Living Strategy. Create a strategy to develop nationwide healthy living e.g.; nutritional information provided in all chain restaurants and on vending machine items, reward grants to small employers that offer wellness programs, etc.

Wellness and Prevention Program. Offer Medicare beneficiaries a wellness program including a prevention plan in which beneficiaries can receive an incentive for monitored behavior adjustments.

Half of our health care spending is due to our own personal health behaviors.

■ AGREE ■ DISAGREE



Cost-Sharing Elimination. Eliminate preventive service cost-sharing that was recommended to the Medicare beneficiary.

Medicare/Medicaid.

Prescription Drug Discount. Brand-name prescription discount of 50 percent required of pharmaceutical companies to Medicare Part D enrollees and slowly introduce additional discounts over the next several years.

Bonus to Medicare Physicians. Ten percent Medicare bonus to primary care physicians and general surgeons in understaffed regions.

Medicare Advantage. Lower Medicare Advantage⁹ payment benchmarks.

Medicare Spending Reduction Reward. Reward payment to hospitals in counties that spend very little on Medicare.

New Programs. Establish new programs for both Medicare and Medicaid to reduce costs and enhance care; Innovation Center for Medicaid and Medicare¹⁰, Medicaid Community First Choice Option¹¹ and Medicaid State Balancing Incentive Program¹².

State Plan Options. Provide qualifying Medicaid beneficiaries with a designated health home provider to offer support and services through a state plan option.

Tax.

Annual Pharmaceutical Fee. Pharmaceutical manufacturers selling more than \$5 million of drugs each year will be issued an annual non-deductible fee.

Tax Increase on Non-Qualified Medical Withdrawals. Health Savings Account (HSA) or Archer MSA¹³ withdrawals not used for qualified medical expenses will result in an increased additional tax of 20 percent of the withdrawal amount.

Miscellaneous.

Long-Term Care. Form a long-term care insurance program for disabled adults, including assistance and support, financed through voluntary payroll deductions.

Medical Malpractice Suits. Five-year grant awarded to individual states to research medical malpractice suits through developing and improving strategies and alternatives.

Improve Health Care Quality. Create a strategy to research and improve health care quality and reduce costs.

Program for Low-Income Health Providers. Establish a program to support providers of the lower-income individuals.

Trauma Unit Efficiency. Increase quality of care and efficiency in the trauma unit through new programs.

Health Care Access. Provide \$11 billion to community health centers to increase access to health providers through schools, nurse-managed clinics and medical clinics.

2012

Medicare/Medicaid.

Hospital Readmissions. Lower hospital readmission rates through the monitoring of Centers for Medicare & Medicaid Services (CMS) and serve monetary penalties for unacceptable readmission rates.

Medicaid Payments. Provide Medicaid payments to mental disease institutions for adults who are enrolled under emergency conditions and create a plan to pay bundled payments for hospitalizations.

Medicare Part D. Institutionalize a Medicare value-based purchasing program¹⁴ as an incentive to provide quality care in acute care hospitals. Eventually to be shifted to home health and nursing home providers.

Medicare Advantage. Medicare Advantage rebate reduction and bonuses provided to above standard Medicare Advantage plans.

Quality.

Accountable Care Organization. Enhanced payment for physicians who join together in a reform effort to increase efficiency and quality assurance.

Quality. Require improved reporting of demographic data, such as race, sex, disability status, etc., in rural areas.

2013

Insurance.

Executive Compensation. Implement a \$500,000 deduction limit per year to all people who serve a health insurance provider in order to limit executive compensation when at least 25 percent of profit derives from plans that meet minimum creditable coverage requirements.

Research. Insured and self-insured plans become subject to an annual fee to fund the patient centered outcomes research trust fund.

Deduction for Medical Expenses. Apply a 10 percent income threshold for claiming the itemized deduction for medical expenditures. Currently 7.5 percent.

CO-OP. Consumer Operated and Oriented Plan (CO-OP) – a nonprofit, member-run program aimed at providing quality and affordable health care.

Medicare/Medicaid.

Medicaid Payment for Primary Care. States will be required to match the rate Medicare pays to primary care physicians.

Medicare Part D Subsidy. If an employer has a prescription drug plan for Medicare Part D retirees, the employer subsidy deduction will be eliminated.

Donut Hole. In addition to the 2011 50 percent discount from pharmaceutical manufacturers' subsidies for brand-name Medicare Part D prescriptions, federal financial support will begin to phase in.

Tax.

Excise Tax. Purchased medical devices will gain a 2.3 percent tax increase. Exceptions of the tax include personal use items e.g.; contact lenses, eye glasses, etc.

Hospital Insurance Tax. Medicare Part A¹⁵ tax rate increase of 0.9 percent on individual earnings of \$200,000 or more and \$250,000 or more for married couples filing jointly. For those higher-income tax payers, there will be a 3.8 percent assessment on unearned income.

Flexible Savings Account (FSA) Contributions. FSA contributions limited to \$2,500 per year.

Miscellaneous.

Administrative Simplification. With the implementation of electronic health records, all health plans must follow specific guidelines in order to make this transition.

Provider Collaboration. Create a Medicare program centered on payment bundling in order to create coordination among all health care providers.

Relationship Disclosure. Disclosure of financial relationships between health organizations required.



Insurance.

Health Insurance Exchanges. Health Insurance Exchanges in each state will be established to foster affordable plans and enrollment processes for individuals and small groups. Those individuals will be able to compare insurance policies at their own will.

Multi-State Option. Provide a monitored nationwide, multi-state plan in which private insurance carriers can offer coverage plans to individuals.

Deductibles. Limit deductibles for small group - \$2,000 for individuals and \$4,000 for family.

Coverage Waiting Period. There will be a 90-day max on coverage waiting periods.

Insurance Plan Requirements. All qualified insurance health plans must meet new implemented standards and requirements, e.g.; prohibited from refusing individuals with pre-existing conditions coverage or treatment.

State Option. States may create a Basic Health Plan for the uninsured whose income falls between 133 and 200 percent Federal Poverty Level (FPL) who could receive health packages from the Exchange and states will gain the option to merge individual and small group markets.

Medicare/Medicaid.

Medicare Part D. Lower out-of-pocket amount for Medicare Part D enrollees for catastrophic coverage.

Medicare Advantage. Medicare Advantage plans to have MLR as low as 85 percent.

Spending Caps. Increase spending cut-offs.

Expansion of Medicaid. Individuals with an income of 133 percent FPL or less, under age 65 who don't qualify for Medicare may now partake in Medicaid benefits. In the first three years of this expansion, states will receive 100 percent federal funding.

Tax.

Tax. Health insurance sector fees based on market share to those with annual premium of \$25 million or more.

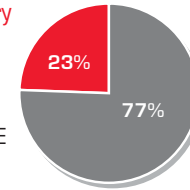
Small Business. Part two of small business tax credit implemented.

Miscellaneous.

Health Care Required of U.S. Citizens. All U.S. citizens will be required to have health coverage; otherwise they will pay an annual fee per person in that household. That fee will increase each year, until it reaches a cap. If an affordable coverage is not available to an individual, they will not be penalized.

Forcing Americans to carry insurance infringes on our rights as citizens.

■ AGREE ■ DISAGREE



Health Care Required of Employers. Employers with 50 or more employees will be administered a fee if they do not provide coverage for their employees. That fee is \$2,000 annually for each full-time employee over the first 30 as long as one of the employees receives tax credits. Employees may refuse coverage.

Prevention. Employees participating in a health wellness program could earn up to 30 percent of the cost of health care coverage.

Premium Subsidy. Individuals and families whose income falls between 133 percent and 400 percent FPL may receive premium tax credits that can be used to purchase insurance through the Exchange.

Insurance.

Compacts. Allow states (at least two or more) to create a health care choice compact in which insurers will be able to sell individual insurance coverage to any participating state.

Medicare/Medicaid.

Independent Payment Advisory Board. Create a group who will submit legislation proposals to Congress regarding health care quality and efficiency as well as patrol Medicare per capita rate of growth.

Value Not Volume. Encourage better quality of care to Medicare patients through value-based physician payment programs.

Hospital-Acquired Conditions. One percent reduction in Medicare payments to facilities with hospital-acquired conditions¹⁶.

Tax.

Excise Tax. If a health insurance plan exceeds \$10,200 for individual coverage or \$27,500 for family coverage, a tax of 40 percent will be imposed upon the insurance company. That tax will be based on the excess premium over the amounts listed above. Also, there will be an additional threshold amount for those 55 years of age or older.

⁹**Pre-Existing Condition** – a medical condition that occurred before a program of health benefits went into effect.

¹⁰**High-Risk Pool** – group of insurance companies that pool assets, enabling them to provide an amount of insurance substantially more than can be provided by individual companies to ensure large risks.

¹¹**Health and Human Services** – a Cabinet department of the United States government with the goal of protecting the health of all Americans and providing essential human services.

¹²**Grandfathered Plans** – a health plan in which an individual was enrolled in coverage on March 23, 2010.

¹³**Medical Loss Ratio** – total amount paid out in claims plus adjustment expenses divided by the total earned premiums.

¹⁴**Ombudsman** – a government official who hears and investigates complaints by private citizens against government agencies.

¹⁵**Medicare Part D** – program to assist with the cost of prescription drugs for Medicare enrollees.

¹⁶**Donut Hole** – a gap in coverage that occurs because of coverage thresholds. If your expenses stay below threshold X you are covered; if your expenses are above threshold Z you are covered. The donut hole occurs between the two thresholds.

¹⁷**Medicare Advantage** – a health plan option offered through the Medicare program.

¹⁸**Innovation Center for Medicaid and Medicare** – a program created to provide and pay for health care in ways that will reduce costs and increase quality.

¹⁹**Medicaid Community First Choice Option** – a program that offers disabled individuals, who qualify for institutional care, to receive community-based services, as an alternative.

²⁰**Medicaid State Balancing Incentive Program** – a program that provides qualifying states with increased federal matching payments in order to provide better service for long-term care individuals who are receiving support outside of an institution.

²¹**Archer MSA** – a tax-deductible medical savings account, in which contributions and withdrawals are tax-free for qualified medical expenses, unless the withdrawal is for personal purposes.

²²**Value-Based Purchasing Program** – pay-for-performance.

²³**Medicare Part A** – federal insurance program that covers inpatient hospital care, hospice and in-home care.

²⁴**Hospital-Acquired Conditions** – a condition or situation imposed on an individual during a hospital stay.

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Are you anticipating keeping your current healthcare plan?
 Yes
 No

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- Town Hall Meeting on Medicare

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- Young Adults and the Affordable Care Act
- Estimated Financial Effects of the "Patient Protection and Affordable Care Act" as Amended
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- Fri, Jul 9th at 12:15 pm
- Putting the Care in Obamacare

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- Medical Loss Ratio
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