

AFFORDABLE HEALTHCARE ACT INFORMATION (NATIONAL & RHODE ISLAND)
RICK HARRIS, LICSW (A working document. Last revision: 12/3/12. Primary Information obtained from Kaiser Foundation and Government Sources.)

Key Provisions	Implementation/ Planned Implementation Date	Law Summaries & Commentary by Rick Harris
Review of Health Plan Premium Increases	2010 (20 out of 20 in effect)	Requires the federal government to create a process, in conjunction with states, where insurers have to justify unreasonable premium increases. Provides grants to states for reviewing premium increases. (Helps to hold monitor insurance rate increases in states who do not have effective review systems. Helps avoid “profit over quality and access”.)
Changes in Medicare Provider Rates		Reduces annual market basket updates for hospital services, long-term care hospitals, inpatient rehabilitation facilities, and psychiatric hospitals and units and adjusts payments for productivity. (More analysis needed.)
Qualifying Therapeutic Discovery Project Credit (In Effect)		Provides tax credits or grants to small businesses to invest in projects that have the potential to produce new therapies, reduce long-term cost growth, or advance the goal of curing cancer within 30 years. (Helps fund R & D. Will need to monitor for excessive protected profit vs. outcomes.)
Medicaid and CHIP Payment Advisory Commission (In Effect)		Provides funding for and expands the role of the Medicaid and CHIP Payment and Access Commission to include assessments of adult services in Medicaid.
Comparative Effectiveness Research (In Effect)		Establishes a nonprofit Patient-Centered Outcomes Research Institute to conduct research that compares the clinical effectiveness of medical treatments. (Watch for how MH services are treated.)
Prevention and Public Health Fund (In Effect)		Appropriates \$5 billion for fiscal years 2010 – 2014 and \$2 billion for each subsequent fiscal year to support prevention and public health programs.
Medicare Beneficiary Drug Rebate (In Effect)		Provides a \$250 rebate to Medicare beneficiaries who reach the Part D coverage gap in 2010. (Helps but does not fix donut hole.)
Small Business Tax Credits (In Effect)		Provides tax credits to small employers with no more than 25 employees and average annual wages of less than \$50,000 that provide health insurance for employees. (Encourages expansion of employer based health coverage.)
Medicaid Drug Rebate (In Effect)		Increases Medicaid drug rebate percentage for certain drugs. Extends drug rebate to Medicaid managed care plans.
Coordinating Care for Dual Eligibles (In Effect)		Establishes the Federal Coordinated Health Care Office to improve care coordination for “dual eligibles” (people eligible for both Medicare and Medicaid). (Improves service system for people caught between government health programs of individuals with severe disabilities.)

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Generic Biologic Drugs (In Effect)		Authorizes FDA to approve generic versions of biologic drugs and grants biologics manufacturers 12 years of exclusive use before generics can be developed. (More analysis needed)
New Requirements on Non-profit Hospitals (In Effect)		Imposes requirements on nonprofit hospitals to conduct community needs assessments and develop a financial assistance policy. Imposes a tax of \$50,000 per year for failure to meet these requirements. (Who pays?)
Medicaid Coverage for Childless Adults (In Effect)		Creates a state option to provide Medicaid coverage to childless adults with incomes up to 133% of the federal poverty level beginning in 2014. (Greatly expands coverage. Work to expand % of poverty guidelines.)
Reinsurance Program for Retiree Coverage (In Effect)		Creates a temporary reinsurance program for employers providing health insurance coverage to retirees over age 55 who are not eligible for Medicare. (Greatly helps those who have been limited in the work realm due to disabilities, but not eligible for SSDI or other support programs.)
Pre-existing Condition Insurance Plan (In Effect)		Creates a temporary program to provide health coverage to individuals with pre-existing medical conditions who have been uninsured for at least six months. (Reduces negative effect, but does not eliminate, preexisting clauses in many states.)
New Prevention Council (In Effect)		Creates the National Prevention, Health Promotion and Public Health Council.
Consumer Website (In Effect)		Requires the Department of Health and Human Services to develop an internet website to help residents identify health coverage options. (Informs and improves consumer choice. Watch for site accuracy and how providers are measured.)
Tax on Indoor Tanning Services (In Effect)		Imposes a tax of 10% on the amount paid for indoor tanning services.
Expansion of Drug Discount Program (In Effect)		Expands eligibility for the 340(B) drug discount program to sole-community hospitals, critical access hospitals, certain children's hospitals, and other entities.
Adult Dependent Coverage to Age 26 (In Effect)		Extends dependent coverage for adult children up to age 26 for all policies. (The largest gap of uninsured adults is between the ages of 18 - 28. This reduces, but does not eliminate this gap. More work needs to be done in this area.)
Consumer Protections in Insurance (In Effect)		Prohibits health plans from placing lifetime limits on the dollar value of coverage, rescinding coverage (except in cases of fraud), and from denying children coverage based on pre-existing medical conditions. (Does not allow insurance to discriminate against these populations based on medical costs.)

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Insurance Plan Appeals Process (In Effect)		Requires new health plans to implement an effective process for allowing consumers to appeal health plan decisions and requires new plans to establish an external review process. (Provides a needed avenue of recourse when consumers feel they have been wronged.)
Coverage of Preventive Benefits (In Effect)		Requires new health plans to provide coverage without cost-sharing for preventive services rated A or B, recommended immunizations, preventive care for children, and additional preventive care for women. (Will save scarce healthcare resources.)
Health Centers and the National Health Service Corps (In Effect)		Permanently authorizes the federally qualified health centers and NHSC programs and increases funding for FQHCs and for the NHSC for fiscal years 2010 – 2015. (Helps “institutionalize” these programs into our service system protecting them from future elimination.)
Health Care Workforce Commission (In Effect)		Establishes the National Health Care Workforce Commission and the National Center for Health Workforce Analysis. (Will help improve quality through training & identify workforce trends/needs.)
Medicaid Community-Based Services (In Effect)		Provides states with new options for offering home and community-based services to certain individuals and permits states to extend full Medicaid benefits to individuals receiving these services under a state plan. (Hopefully will encourage non institutional services.)
Minimum Medical Loss Ratio for Insurers (In Effect)	2011 (17 out of 20 In Effect)	Requires health plans to report the proportion of premium dollars spent on clinical services and other costs and provide rebates to consumers. (Hopefully will result in insurers using the lions share of funds for direct service payments.)
Closing the Medicare Drug Coverage Gap (In Effect)		Requires pharmaceutical manufacturers to provide a discount on brand-name prescriptions and begins federal subsidies for generic prescriptions in the Medicare Part D coverage gap. (Hopefully make medications more affordable. Watch for forced use of generic drugs which may not be the best choice for individual consumers.)
Medicare Payments for Primary Care (In Effect)		Provides a Medicare bonus payment for PCP services and general surgeons practicing in health professional shortage areas. (Although this helps primary care, it appears to be at the expense of speciality services such as MH & SA services. Work to move MH & SA services into the realm of primary care.)
Medicare Prevention Benefits (In Effect)		Eliminates cost-sharing for recommended preventive services and waives the deductible for colorectal cancer screening tests; authorizes coverage for prevention plans. (Increases the chance of lower cancer rates through early intervention.)

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Center for Medicare and Medicaid Innovation (In Effect)		Creates a center to test new payment and delivery systems that reduce costs while improving quality. (Monitor for effect on provider payments. Perhaps a chance to lessen unnecessary or obtrusive requirements.)
Medicare Premiums for Higher-Income Beneficiaries (In Effect)		Freezes the income threshold for income-related Medicare Part B premiums through 2019 at 2010 levels and reduces the Medicare Part D premium subsidy for incomes above \$85,000/individual and \$170,000/couple. (The effort is understandable, but watch out for potential of gradual erosion into middle class income brackets.)
Medicare Advantage Payment Changes (In Effect)		Restructures payments to private Medicare Advantage plans and prohibits Medicare Advantage plans from imposing higher cost-sharing requirements for some covered benefits. (Monitor for benefits covered.)
Medicaid Health Homes (In Effect)		Creates an option for certain enrollees to designate a provider as a health home and provides a 90% federal matching payment for health home-related services. (Monitor for effectiveness - cost/benefit.)
Chronic Disease Prevention in Medicaid (In Effect)		Provides 3-year grants to develop programs to provide enrollees with incentives to participate in comprehensive health lifestyle programs. (Can be very effective, but watch for application to disorders where the consumer does not have control over ill health factors. ie. Some types of obesity, environmental factors etc.)
National Quality Strategy (In Effect)		To develop and update a national quality strategy that improves the delivery of health care services, patient health outcomes, and population health.
Changes to Tax-Free Savings Accounts (In Effect)		Excludes the costs for OTC drugs not prescribed by a doctor from being reimbursed on a tax-free basis. Increases the tax on distributions from a health savings account that are not used for qualified medical expenses.
Grants to Establish Wellness Programs Not (In Effect)		Provides grants for up to five years to small employers that establish wellness programs. (Can be very effective, but watch for application to disorders where the consumer does not have control over ill health factors. ie. Some types of obesity, environmental factors etc.)
Teaching Health Centers (In Effect)		Establishes Teaching Health Centers and payments for primary care residency programs in community-based ambulatory patient care centers. (Expands resources and respect for community health center operations.)
Medical Malpractice Grants Not (In Effect)		Authorizes \$50 million for five-year demonstration grants to develop, implement, and evaluate alternatives to current tort litigations. (This can be a very complex issue that can effect both the provider system and the rights of patients/consumers.)

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Funding for Health Insurance Exchanges (In Effect)		Provides grants to states planning for the establishment of American Health Benefit Exchanges and Small Business Health Options Program Exchanges
Nutritional Labeling (In Effect)		Requires disclosure of nutritional content of standard menu items at chain restaurants and vending machines. (You are what you eat!)
Medicaid Payments for Hospital-Acquired Infections (In Effect)		Prohibits federal payments to states for services related to certain hospital-acquired infections. (???????)
Graduate Medical Education (In Effect)		Increases the number of Graduate Medical Education training positions and promotes training in outpatient settings.
Medicare Independent Payment Advisory Board (Not In Effect)		Establishes an Independent Advisory Board to submit legislative proposals in reducing the rate of growth in spending. Medicaid Long-Term Care Services . Creates the State Balancing Incentive Program the Community First Choice Option to provide support services to certain people with disabilities.
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Accountable Care Organizations in Medicare (In Effect)	2012 (10 out of 11 In Effect)	Allows providers organized as accountable care organizations (ACOs) that voluntarily meet quality thresholds to share in the cost savings they achieve for the Medicare program. (More analysis needed.)
Uniform Coverage Summaries for Consumers (In Effect)		Requires private health plans to provide a summary of benefits and coverage (SBC) to all applicants and enrollees in order to help consumers compare and understand health insurance coverage options. (Maximizes understandable choice information for consumers.)
Medicare Advantage Plan Payments (In Effect)		Reduces rebates paid to Medicare Advantage plans and provides bonus payments to high-quality plans. (More analysis needed.)
Medicare Independence at Home Demonstration (In Effect)		Creates the Independence at Home demonstration program to provide high-need Medicare beneficiaries with primary care services in their home. (Living at home is a “first choice option” form many aging individuals, but result in cost savings. NASW - RI supports least restrictive options, however these options need to be fully funded.)
Medicare Provider Payment Changes (In Effect)		Adds a productivity adjustment to the market basket update for certain providers, resulting in lower rates than otherwise would have been paid. (????)

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Fraud and Abuse Prevention (In Effect)		Establishes procedures for screening, oversight, and reporting for providers and suppliers that participate in Medicare, Medicaid, and CHIP; requires additional entities to register under Medicare.
Annual Fees on the Pharmaceutical Industry (In Effect)		Imposes new annual fees on the pharmaceutical manufacturing sector.
Medicaid Payment Demonstration Projects (Not In Effect)		Creates demonstration projects for up to 8 states to pay bundled payments for episodes of care that include hospitalizations and to allow pediatric medical providers organized as accountable care organizations to share in cost-savings.
Data Collection to Reduce Health Care Disparities (In Effect)		Requires enhanced collection and reporting of data on race, ethnicity, sex, primary language, disability status, and for underserved rural and frontier populations. (Disparities exist. This is a good “first step” to remedy this important “civil/human right”.)
Medicare Value-Based Purchasing (In Effect)		Establishes a hospital value-based purchasing program in Medicare to pay hospitals based on performance and requires plans to be developed to implement these programs. (How performance is measured and how these measures affect patient care in various treatment modalities need to be monitored very carefully.)
Reduced Medicare Payments for Hospital Readmissions		Reduces Medicare payments that would otherwise be made to hospitals to account for excess (preventable) hospital readmissions.
State Notification Regarding Exchanges (In Effect)	2013 (5 out of 15 (In Effect))	States indicate to the Secretary of HHS whether they will operate an American Health Benefit Exchange.
Closing the Medicare Drug Coverage Gap (Not In Effect)		Begins phasing-in federal subsidies for brand-name prescriptions filled in the Medicare Part D coverage gap. (This will help alleviate the problem of the need for “brand name medications” over the use of less effect generic brands in some medications.)
Medicare Bundled Payment Pilot Program (In Effect)		Establishes a national Medicare pilot program to develop and evaluate bundled payments for acute, inpatient hospital services, physician services, outpatient hospital services, and post-acute care services. (Interesting. If this leads to “core” funding as opposed to “fee for service” funding, it could be very effective.)
Medicaid Coverage of Preventive Services (Not In Effect)		Provides a one percentage point increase in federal matching payments for preventive services in Medicaid for states that offer Medicaid coverage with no patient cost sharing for recommended services and immunizations. (Encourages proven preventative treatments, therefore saving more expensive and sometimes less effective treatment later.)

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Medicaid Payments for Primary Care (In Effect)		Increases Medicaid payments for primary care services provided by primary care doctors to 100% of the Medicare payment rate for 2013 and 2014 (financed with 100% federal funding). (This is a good idea, but should not be at the expense of specialty services such as MH/SA services.)
Itemized Deductions for Medical Expenses (Not In Effect)		Increases the threshold for the itemized deduction for unreimbursed medical expenses; waives the increase for individuals age 65 and older for tax years 2013 – 2016.
Flexible Spending Account Limits (Not In Effect)		Limits the amount of contributions to a flexible spending account for medical expenses to \$2,500 per year, increased annually by the cost of living adjustment.
Medicare Tax Increase (Not In Effect)		Increases the Medicare Part A tax rate on earnings over \$200,000 for individuals and \$250,000 for married couples and imposes a 3.8% assessment on unearned income for higher-income taxpayers. (This is much more preferable than eliminating these services for this group. Elimination might lead to erosion of program to lower earning brackets.)
Employer Retiree Coverage Subsidy (Not In Effect)		Eliminates the tax-deduction for employers who receive Medicare Part D retiree drug subsidy payments.
Tax on Medical Devices (In Effect)		Imposes an excise tax of 2.3% on the sale of any taxable medical device.
Financial Disclosure (Not In Effect)		Requires disclosure of financial relationships between health entities and distributors of covered drugs, devices, biologicals, and medical supplies. (Transparency is always a good policy in relation to consumer/tax payer protections..)
CO-OP Health Insurance Plans (In Effect)		Creates the Consumer Operated and Oriented Plan to foster the creation of nonprofit, member-run health insurance companies. (More analysis needed.)
Extension of CHIP (Not In Effect)		Extends authorization and funding for the Children’s Health Insurance Program (CHIP) through 2015 (current authorization is through 2013). (This law will help eliminate annual challengers in Congress.)
Medicare Disproportionate Share Hospital Payments (Not In Effect)		Reduces Medicare Disproportionate Share Hospital (DSH) payments initially by 75% and subsequently increases payments based on the percent of the population uninsured and the amount of uncompensated care provided.
Medicare Disproportionate Share Hospital Payments (Not In Effect)		Reduces states’ Medicaid Disproportionate Share Hospital (DSH) allotments and requires the Secretary to develop a methodology for distributing the DSH reductions.

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Expanded Medicaid Coverage (Not In Effect)	2014 (2 out of 16 In Effect)	Expands Medicaid to all individuals not eligible for Medicare under age 65 (children, pregnant women, parents, and adults without dependent children) with incomes up to 133% FPL and provides enhanced federal matching payments for new eligibles. (Good. Will advocate to increase the eligibility to higher % of poverty.)
Presumptive Eligibility for Medicaid (Not In Effect)		Allows all hospitals participating in Medicaid to make presumptive eligibility determinations for all Medicaid-eligible populations.
Individual Requirement to Have Insurance (Not In Effect)		Requires U.S. citizens and legal residents to have qualifying health coverage (there is a phased-in tax penalty for those without coverage, with certain exemptions). (Because this is predicated on an “all in” mentality this provision is necessary to make it work. Concern for affordability.)
Health Insurance Exchanges (Not In Effect)		Creates state-based American Health Benefit Exchanges and Small Business Health Options Program (SHOP) Exchanges, administered by a governmental agency or non-profit organization, through which individuals and small businesses with up to 100 employees can purchase qualified coverage. Exchanges will have a single form for applying for health programs, including coverage through the Exchanges and Medicaid and CHIP programs. (Simplifies consumer choice processes. Depending on adherence to RI mandates, this could be positive or negative. RI has a very small group of insurance companies because many insurance companies fear a too small profit margin with the current mandates.)
Health Insurance Premium and Cost Sharing Subsidies (Not In Effect)		Provides refundable and advanceable tax credits and cost sharing subsidies to eligible individuals. Premium subsidies are available to families with incomes between 133-400% of the federal poverty level to purchase insurance through the Exchanges, while cost sharing subsidies are available to those with incomes up to 250% of the poverty level. (Expands healthcare insurance coverage to more individuals. We will work on expanding to higher limits closer to “living wage” standards.)
Guaranteed Availability of Insurance (Not In Effect)		Requires guarantee issue and renewability of health insurance regardless of health status and allows rating variation based only on age (limited to a 3 to 1 ratio), geographic area, family composition, and tobacco use (limited to 1.5. to 1 ratio) in the individual and the small group market and the Exchanges. (Eliminates pre-existing conditions as a way of denying healthcare insurance.)
No Annual Limits on Coverage (Not In Effect)		Prohibits annual limits on the dollar value of coverage. (Designed to protect consumers with high healthcare costs and catastrophic healthcare events.)
Essential Health Benefits (In Effect)		Creates an essential health benefits package that provides a comprehensive set of services, limiting annual cost-sharing to the Health Savings Account . Creates four categories of plans to be offered through the Exchanges. (Creates a minimum standard.)

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Multi-State Health Plans (Not In Effect)		Requires the Office of Personnel Management to contract with insurers to offer at least two multi-state plans in each Exchange. At least one plan must be offered by a non-profit entity and at least one plan must not provide coverage for abortions beyond those permitted by federal law. (Provides for consumer choice and competition. Potential for negative impact on RI's insurance mandates.)
Temporary Reinsurance Program for Health Plans (Not In Effect)		Creates a temporary reinsurance program to collect payments from health insurers in the individual and group markets to provide payments to plans in the individual market that cover high-risk individuals. (Reduces the chance of "cherry picking" the healthiest consumers.)
Basic Health Plan (In Effect)		Permits states the option to create a Basic Health Plan for uninsured individuals with incomes between 133-200% FPL who would otherwise be eligible to receive premium subsidies in the Exchange. (Expands government sponsored healthcare coverage to adults without children. Monitor for more expensive treatment options such as hospital based services.)
Employer Requirements (Not In Effect)		Assesses fees for employer noncompliance. (Because this is predicated on an "all in" mentality this provision is necessary to make it work)
Medicare Advantage Plan Loss Ratios (Not In Effect)		Requires Medicare Advantage plans to have medical loss ratios no lower than 85%. (Helps control fiscal viability of insurance plans.)
Wellness Programs in Insurance		Permits employers to offer employees rewards of up to 30%, potentially increasing to 50%, of the cost of coverage for participating in a wellness program and meeting certain health-related standards. (At face value, this provision appears to be a well-intended provision and very supportable, however, if it results in penalizing consumers for non-healthy variables out of their control, then it could prove to be very negative and certainly challengeable.)
Fees on Health Insurance Sector (Not In Effect)		Imposes new fees on the health insurance sector.
Medicare Payments for Hospital-Acquired Infections		Reduces Medicare payments to certain hospitals for hospital-acquired conditions by 1%. (This is part of the deficit reduction effort and will most likely negatively affect revenues for non-profit hospitals.)
Increase Federal Match for CHIP	2015 (0 out of 1 In Effect)	Provides for a 23 percentage point increase in the Children's Health Insurance Program (CHIP) match rate up to a cap of 100%. (This could increase coverage. We will need to ramp up advocacy two year prior.)

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Health Care Choice Compacts	2016 (0 out of 1 In Effect)	Permits states to form healthcare choice compacts and allows insurers to sell policies in any state participating in the compact. <i>(This provision will have to be watched for its potential on our state mandates, inadequate coverage and possible high deductibles.)</i>
Tax on High-Cost Insurance	2018 (0 out of 1 In Effect)	<u>Imposes an excise tax on insurers of employer-sponsored health plans with aggregate expenses that exceed \$10,200 for individual coverage and \$27,500 for family coverage. <i>(Penalizes a process that has contributed to class disparities in healthcare coverage.)</i></u>

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