

Health Care Reform Summary



The recently enacted health care reform bill brings good news on the wellness front—the new law includes many changes that will be catalysts for redesigning the American system of health care and prioritizing prevention and wellness. While there are opposing views on the approved Act, most people agree that there is a need for reform. Imperfect as most solutions are, the new law is a first step in improving our overall health care system; and it addresses many of the concepts of health care reform and delivery system redesign that were recently endorsed by the Boards. The common objectives include:

- ▶ **Expanding access to affordable health care**
- ▶ **Advancing patient-centered clinical care coordination models**
- ▶ **Introducing opportunities to develop and implement value-based payment reform models**
- ▶ **Rebuilding systems on a foundation of primary care, wellness, and prevention**
- ▶ **Eliminating specific barriers to coverage**

Following is a summary of the major inclusions in the Act as they relate to our primary care providers, patients, the primary care workforce, and to ProHealth as a provider of employer-sponsored benefits. Please note that the current bill does not address:

- ▶ **Medical Malpractice Reform:** The Act does not address this issue in a comprehensive manner
- ▶ **Medicare Payments:** The Act does not include a permanent solution to Medicare payments to physicians; nor does it address the perennial issue of the Sustained Growth Rate (SGR) formula that proposes annual decreases to Medicare reimbursement

Patient Considerations

PROVISION & DESCRIPTION	TIMING
<p>Eliminates Coverage Barriers:</p> <ul style="list-style-type: none"> ▶ Prohibits health insurance companies from denying coverage to individuals with pre-existing conditions ▶ Prohibits insurance companies from dropping coverage when a member gets sick ▶ Prevents health insurance companies from placing lifetime caps on coverage 	<p>Children: 6 months post-enactment; All Others: 2014 6 months post-enactment 6 months post-enactment</p>
<p>Improves Affordability:</p> <ul style="list-style-type: none"> ▶ Eliminates cost sharing on recommended preventive services reimbursed by Medicare & other insurance plans available in the Health Insurance Exchange; ▶ Begins to close the Medicare Part D coverage gap for Medicare beneficiaries who have surpassed their prescription drug coverage limit ▶ Establishes 50 state-administered insurance marketplaces to allow small businesses and people without employer-sponsored coverage to buy insurance through a Health Insurance Exchange (HIE) ▶ Provides premium and cost sharing subsidies to enable eligible individuals & families to purchase insurance through the HIE ▶ Expands Medicaid to cover anyone earning less than 133% of the federal poverty level (\$29,327 for a family of four) 	<p>6 months post-enactment 1/1/2012 No later than 2017; federal \$ avail 2011–2015 2014 Upon enactment; mandatory by 2014</p>
<p>Extends Dependent Coverage: Provides coverage for dependents up to age 26 for all individual and group policies</p>	<p>6 months post-enactment</p>
<p>Increases Wellness Benefits:</p> <ul style="list-style-type: none"> ▶ Requires Medicaid coverage for tobacco cessation services for pregnant women ▶ Creates a new Medicare benefit for a comprehensive health risk assessment and creation of a personalized prevention plan ▶ Provides incentives to Medicare & Medicaid beneficiaries to complete behavior modification programs ▶ Requires qualified health plans to provide coverage without cost-sharing for preventive services rated A or B by the U.S. Preventive Services Task Force ▶ Requires chain restaurants & vending machines to disclose nutritional content of each food item 	<p>10/1/2010 18 months post-enactment 1/1/2011 6 months post-enactment 6 months post-enactment</p>

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Primary Care Provider Considerations

PROVISION & DESCRIPTION	TIMING
Shortage Area Bonuses: Provides a 10% bonus payment for primary care services provided in health professional shortage areas for 5 years	2011
Increases Medicaid Rates: A 2-year experiment that guarantees Medicaid pays primary care physicians at Medicare rates for primary care services, including immunizations	2013–2014
Encourages Preventive Services: Eliminates cost sharing on recommended preventive services for Medicare and all Health Insurance Exchange plans	1/1/2011
Focuses on Wellness and Prevention: <ul style="list-style-type: none"> » Defines accountability for coordinating federal prevention, wellness, and public health activities and developing a national strategy to improve the nation's health » Includes the development and dissemination of evidenced-based recommendations for clinical and community prevention services 	Upon enactment
Promotes Pilot Programs: <ul style="list-style-type: none"> » Examines new medical practice and reimbursement models » Advances Medical Home and Accountable Care Organizations 	2012
Invests in the Primary Care Physician Workforce: Provides funds to increase training of family physicians	2010–2016

Employer Considerations

PROVISION & DESCRIPTION	TIMING
Premium Vouchers: Offers certain employees (based on income level and health care premium contributions) a voucher if they choose to participate in the Health Insurance Exchange, rather than the Employer's plan. The voucher is equal to the contribution amount that Employer would have made to provide coverage to the employee under Employer's plan; it is used to offset the premium costs for the selected HIE plan. Employers providing free choice vouchers will not be subject to penalties for employees that receive premium credits in the Health Insurance Exchange	1/1/2014
Health Plan Auto-Enrollment: Requires employers with more than 200 employees to automatically enroll employees into health insurance plans offered by the employer. Employees may opt out of coverage	1/1/2014
Taxes: ProHealth's health plan does not qualify as a "Cadillac" plan; therefore, the employer-sponsored plan will not be subject to tax.	2018
Employee Incentives: Allows employers to offer premium discounts, waivers of cost-sharing requirements, or benefits that would otherwise not be provided for participating in a wellness program and meeting certain health-related standards (limit =30% of the cost of coverage).	2014

Primary Care Workforce Considerations

PROVISION AND DESCRIPTION	TIMING
Workforce Advisory Committee: Establishes a multi-stakeholder Workforce Advisory Committee to develop a national workforce strategy	9/30/2010
Increases Graduate Medical Education (GME) training positions: <ul style="list-style-type: none"> » Redistributes currently unused slots, with priority given to primary care and general surgery and to states with the lowest resident physician-to-population ratios » Increases flexibility of laws & regulations that govern GME funding to promote training in outpatient settings » Ensures the availability of residency programs in rural and underserved areas by establishing Teaching Health Centers that are eligible for Medicare payments to offset the expenses associated with operating primary care residency programs 	7/01/2011 7/01/2010 Initial appropriation in FY 2010
Increases Workforce Supply: <ul style="list-style-type: none"> » Provides for scholarships and loans » Includes state grants for providers in medically underserved areas » Establishes a public health workforce loan repayment program » Provides medical residents with training in preventive medicine and public health » Promotes diversity and cultural competence training » Supports the development of interdisciplinary mental and behavioral health training programs » Addresses the projected shortage of nurses and retention of nurses by increasing the capacity for education, supporting training programs, providing loan repayment and retention grants, and creating a career ladder to nursing » Provides grants for up to three years to employ and provide training to family nurse practitioners who provide primary care in federally qualified health centers and nurse-managed health clinics » Supports the development of training programs that focus on primary care models such as medical homes, team management of chronic disease, and those that integrate physical and mental health services 	Effective dates vary Fiscal year 2010 Initial appropriation in FY 2010 Funding for 5 years beginning in FY 2011 Funding for 5 years beginning in FY 2010