

Health Reform Timeline 2010 – 2020

2010 New Programs:

- > Temporary retiree reinsurance program.
- > National risk pool, small business tax credit.
- > \$250 rebate for Medicare members who reach the "doughnut hole."

Insurance Reforms:

- > No lifetime benefit limits — based on dollar amounts.
- > Allowed restricted yearly limits on the dollar value of certain benefits.
- > No coverage rescissions/ cancellations (except for fraud or intentional misrepresentation).
- > No cost-sharing obligations for preventive services.
- > Must have dependent coverage up to age 26.
- > New internal and external appeal processes.
- > No pre-existing condition exclusions for dependent children (under 19 years of age).
- > New health plan disclosure and transparency requirements.

2011 Insurance Reforms:

- > New uniform coverage documents and standard definitions are developed.
- > Must have minimum medical loss ratios.

Medicare Reforms:

- > Start of Medicare Advantage cost-sharing limits.
- > Medicare beneficiaries who reach the doughnut hole to get a 50% discount on brand name drugs
- > Primary care doctors and general surgeons practicing in underserved areas, such as inner cities and rural communities to get a 10% bonus.
- > Medicare Advantage plans begin having payments frozen.

Other:

- > Yearly fee for brand-name drug manufacturers.
- > Start of voluntary long-term care insurance program giving a cash benefit to help those with disabilities stay in their homes or pay nursing home costs; benefit starts 5 years after paying coverage fee
- > Increased funding for community health centers to provide care for many low-income and uninsured people.

2012 Hospitals, doctors and payers encouraged to join forces in "accountable care organizations."

Hospitals with high rates of preventable readmissions facing reduced Medicare payments.

- > Individuals making \$200,000 a year or couples making \$250,000 would have a higher Medicare payroll tax of 2.35% on earned income — up from the current 1.45%. A new 3.8% tax on unearned income, such as dividends and interest, also added.
- > Contributions to flexible spending accounts (FSAs) limited to \$2,500 a year — indexed for inflation. And the threshold for deducting medical expenses on taxes goes from 7.5% to 10% of income.
- > Medical device manufacturers have a 2.9% sales tax on medical devices; with exemptions for some, like eyeglasses, contact lenses and hearing aids.
- > No more deduction for expenses allocable to Medicare Part D subsidy for employers who maintain prescription drug plans for their Medicare Part D-eligible retirees.

2014 Coverage Mandates & Subsidies:

- > New Individual and employer coverage responsibilities.
- > New Individual affordability tax credits and expanded small business tax credits.

Health Insurance Exchange & Insurance Reforms:

- > State individual and small group health insurance exchanges operational.
- > Guaranteed issue, guaranteed renewability, modified community rating and minimum benefit standards ("essential benefits" plan) effective.
- > No more lifetime and yearly dollar limits for essential benefits.

New taxes on health insurers.

2018 New tax ("Cadillac tax") on employer-sponsored health plans that offer policies with generous coverage levels.

2020 Doughnut hole coverage gap in Medicare prescription benefit is fully phased out. Seniors continue to pay the standard 25% of their drug costs until they reach the threshold for Medicare catastrophic coverage.

2010



Dependent coverage up to age 26 is mandated.

2011

Employers are required to report the value of health care benefits on employees' W2 tax statements.



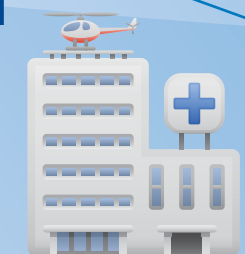
2012

Hospitals with high rates of preventable readmissions face reduced Medicare payments.



2013

Individuals making \$200,000 a year or couples making \$250,000 have a higher Medicare payroll tax.



2014

Pre-existing condition exclusions are prohibited.

2018

"Cadillac tax" is imposed.



2020

2014 Medicaid and Medicare Reform:

- > Medicaid expanded to cover low-income individuals under age 65 up to 133% of the federal poverty level—about \$28,300 for a family of four.
- > Minimum medical loss ratio of 85% required for Medicare Advantage plans.