REVIEW OF THE AFFORDABLE CARE ACT (ACA)
Please note: this review has been drafted from several different sources which are referenced at the end of the report.

IMPLEMENTED PROVISIONS

Effective 2010

Therapeutic Discovery Project Credit

Employers with up to 250 employees can receive tax credits or grants up to 50 percent of the investments costs 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. (Note: Georgia has received $244,479.25 in credit and $15,165,946.20 in grants.)

Premium Increase Review

Requires the federal government to work with states to create a process that requires insurers to justify unreasonable premium increases. (Note: Georgia has implemented an Individual & Small Group Effective Rate Review Program)

Medicare Provider Rates

Reduces annual market basket updates for inpatient and outpatient hospital services, long-term care hospitals, inpatient rehabilitation facilities, and psychiatric hospitals and units and adjusts payments for productivity.

Medicaid and CHIP PAC

Expands and provides funding for the Medicaid and CHIP PAC to include assessments of adult services in Medicaid.

Patient-Centered Outcomes Research Institute

A non-profit institute to conduct research that compares the clinical effectiveness of medical treatments.

Prevention and Public Health Fund

Appropriates $5 billion for FY 2010-2014 and $2 billion a year following 2014 to support prevention and public health programs.

Small Employer Tax Credit

Tax credits for the cost of health insurance available for employers with less than 25 full-time employees.

Medicare Beneficiary Drug Rebate
Provides $250 rebates to Medicare beneficiaries who reach Part D coverage gap in 2010.

**Medicaid Drug Rebate**

Increases the Medicaid drug rebate percentage for brand name drugs to 23.1 percent. Extends the drug rebate to Medicaid managed care plans.

**Dual Eligibility**

Establishes the Federal Coordinated Health Care Office to improve care coordination for people eligible for both Medicare and Medicaid.

**Generic Biologic Drugs**

Authorizes FDA to approve generic versions of biologic drugs and grant biologics manufacturers 12 years of exclusive use before generics can be developed.

**Non-Profit Hospitals**

Non-profit hospitals must meet additional requirements by conducting a community needs assessment and developing a financial assistance policy or face a penalty.

**Grandfathered Plans**

Health plans in effect on March 23, 2010 are exempt from certain health care reform provisions.

**Employee Protection**

Prohibits discrimination, exclusion from or denial of any benefits under health program or activity receiving federal financial assistance.

**Nursing Mother’s Break**

Employers must provide reasonable break time to allow nursing mothers to express breast milk for children up to age one.

**Medicaid Expansion for Childless Adults**

Optional state provision expanding Medicaid to cover childless adults with incomes up to 133 percent of federal poverty level (FPL). Will be included in full Medicaid expansion provision effective in 2014. (Note: Georgia is not participating)

**Young Retiree Coverage**

Effective FY 2010 to January 2014. Temporary reinsurance program for employers providing health insurance plans to retirees from ages 55 to 65.

**Temporary High-Risk Pools**

Allows people with pre-existing medical conditions who have been uninsured for at least six months to be covered with temporary insurance.
Prevention Council

Creates the National Prevention, Health Promotion and Public Health Council to develop a national prevention, health promotion and public health strategy.

Health Insurance Website

Requires HHS to develop a website to provide health plan options.

Tanning Tax

Ten percent tax on indoor tanning services.

Drug Discount Program

Expands eligibility for the 340(B) drug discount program to sole-community hospitals, critical access hospitals, certain children’s hospitals, and other entities.

Patient’s Bill of Rights

Protects consumers from insurance company abuses, including lifetime limits, annual limits, rescinding coverage, and denying children coverage based on pre-existing medical conditions.

Dependent Coverage

Dependent coverage was extended to 26 years old, allowing dependents to remain on their parents’ insurance longer.

Preventive Services

Requires certain preventive services to be covered with no out-of-pocket charges.

Insurance Appeals

New health plan rule requires plans to implement effective process for allowing consumers to appeal health plan decisions and requires states to establish an external review process.

Health Care Workforce Commission

Establishes the National Health Care Workforce Commission.

Medicaid Community-Based Services

Provides states with new options for offering home and community-based services through a Medicaid state plan amendment to certain individuals and permits states to extend full Medicaid benefits to individuals receiving home and community-based services under a state plan.

FQHC and NHSC

Permanently authorizes and increases funding for federally qualified health centers (FQHCs) and National Health Service Corps (NHSCs) for FYs 2010-2015.
Effective 2011

Medicare Donut Hole
Fifty percent discount for certain prescription drugs on Medicare.

Medical Loss Ratio
Insurance providers must spend at least 85 percent of received premiums for medical services for large groups and at least 80 percent for small groups or return the difference to consumers as rebates.

Drug Tax
Manufacturers and importers of brand-name drugs pay a tax that will be passed to consumers.

Cafeteria Plan
Small employers may create nondiscriminatory cafeteria plans for employees.

Medicare Payments for Primary Care Physicians
Medicare must provide a 10 percent bonus payment for primary care services in general and to general surgeons who practice in physician shortage areas.

Medicare Prevention Fees
Eliminates co-pays for Medicare-covered certain preventive services and waives the Medicare deductible for colorectal cancer screening tests.

Center for Medicare and Medicaid Innovation
Creates the Center for Medicare and Medicaid Innovation to test new payment and delivery system models.

Higher-Income Medicare Patients
Higher premiums for Medicare patients with annual incomes above $85,000/individual and $170,000/couple.

Medicare Advantage Payments
Restructures payments to private Medicare Advantage plans by phasing in payments set at increasingly smaller percentages of Medicare fee-for-service rates; freezes 2011 payments at 2010 levels; and prohibits Medicare Advantage plans from imposing higher cost-sharing requirements for some Medicare covered benefits than is required under the traditional fee-for-service program.

Medicaid Health Homes
Optional state program allowing Medicaid enrollees to designate a provider as a health home. (Note: Georgia is not participating)

**Chronic Disease Prevention**

States that develop programs to provide Medicaid enrollees with incentives to participate in comprehensive health lifestyle programs can receive three-year grants. (Note: Georgia did not receive a grant)

**Quality of Care**

HHS required to develop and update annually a national quality improvement strategy focused on improving quality of care.

**FSA Drug Reimbursement**

Over-the-counter drugs no longer eligible for reimbursement under health FSAs, HSAs, or HRAs.

**HSA Nonqualified Withdrawals**

Ineligible withdrawals from an HSA are subject to excise tax increase.

**Teaching Health Centers**

Establishes Teaching Health Centers and provides payments for primary care residency programs in community-based ambulatory patient care centers. (Note: Georgia has not established a Teaching Health Center)

**Medical Malpractice Grants**

Grants for states that develop, implement, and examine alternatives to current tort litigation system. (Note: Georgia has not received a grant)

**W-2 Reporting**

Employers must report value of employer-sponsored health coverage on employee’s W-2 forms.

**Health Exchange Funding**

Grants available for states that begin planning for Individual and SHOP exchanges. (Note: Georgia accepted a $1,000,000 grant in 2010)

**Hospital-Acquired Infections**

Prohibits federal Medicaid payments for hospital-acquired infections.

**Graduate Medical Education**

Increases number of graduate medical education (GME) training positions.
Medicaid Long-Term Care Services

Enhances federal matching for non-institutionally based long-term services for Medicaid in states.

Care for Seniors

The Community Care Transitions Program will help high risk Medicare beneficiaries who are hospitalized avoid unnecessary readmissions by coordinating care and connecting patients to services in their communities.

Effective 2012

Accountable Care Organizations

Allows ACOs that voluntarily meet quality thresholds to share in the cost savings they achieve for Medicare.

Uniform Explanation of Coverage

Employers must provide covered employees with an approved summary of benefits and coverage prior to employment.

Linking Payment to Quality Outcomes

Establishes hospital Value-Based Purchasing program in Traditional Medicare which will offer financial incentives to hospitals to improve the quality of care.

Medicaid Advantage Payments

Reduces rebates paid to Medicare Advantage plans and provides bonus payments to high-quality plans.

Medicare at Home

Creates “Independence at Home” program to provide high-need Medicare patients with primary care services at home.

Decreased Medicare Payments

Adds a productivity adjustment to the market basket update for certain providers, resulting in lower rates than otherwise would have been paid.

Fraud and Abuse Prevention

Establishes extra hurdles for physicians and suppliers that participate in Medicare, Medicaid, and CHIP.

Pharmaceutical Fees

New annual fees for pharmaceutical manufacturers.
Patient Data Collection

Increases data collection on race, ethnicity, sex, primary language, disability status, and rural populations.

Medicare Value-Based Purchasing

Medicare to pay hospitals based on performance on quality measures and requires plans to be developed to implement value-based purchasing programs for skilled nursing facilities, home health agencies, and ambulatory surgical centers.

Hospital Readmission Medicare Payments

Reduces Medicare payments that would otherwise be made to hospitals to account for excess hospital readmissions.

Effective 2013

State Notification Regarding Exchange

States indicate to HHS whether they will opt in to the federally run American Health Benefit Exchange. (Note: Georgia defaulted to a federal exchange)

Medicare Pilot

National Medicare pilot program to assess bundled payments for certain services.

Preventive Services

Provides a 1 percent increase in federal matching funds for states that offer Medicaid for preventive services with no patient cost sharing.

Medical Device Tax

2.3 percent excise tax on medical devices.

Form 1040 Medical Deductions Decrease

Threshold for deductible medical expenses increases from 7.5 percent to 10 percent of income.

Primary Care

Primary care services payments from Medicaid increases to 100 percent of Medicare payment rate 2013 through 2014.

Executive Compensation

Limits employee compensation deduction at $500,000 under IRC §162(m) for certain health insurance providers.

FSA Limits

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Limits FSA accounts to $2,500/year in contributions – increased annually by federally calculated cost of living adjustment.

**Medicare Tax Increase**

Increases Medicare Part A tax rate for individuals earning more than $200,000/year and couples earning over $250,000/year by 0.9 percent, and imposes a 3.8 percent assessment on unearned income for higher-income taxpayers.

**Retiree Drug Subsidy**

Eliminates tax-deduction for employers who receive Medicare Part D retiree drug subsidy payments.

**Employer Notice Requirements**

Requires employers to provide employees with written notice concerning health insurance exchange and potential eligibility for federal assistance.

**CO-OP Plan**

Creates Consumer Operated and Oriented Plan (CO-OP) to foster non-profit, member-run health insurance companies.

**CHIP Funding**

Extends funding for the Children’s Health Insurance Program (CHIP) through 2015.

**FUTURE PROVISIONS (subject to delays)**

**Exchange Enrollment**

Effective October 2013. Enrollment for SHOP and individual exchanges set to begin.

**Expanded Medicaid Coverage**

Effective January 2014. Expands Medicaid to cover all individuals not eligible for Medicare with incomes up to 138 percent FPL and provide enhanced federal matching. (Note: Georgia is not participating)

**Coverage of Full-Time Employees**

Effective January 2014. Employers must offer affordable coverage to employees who work more than 30 hours a week or face a penalty.

**Individual Mandate**

Effective January 2014. Requires all individuals to purchase health insurance or pay a penalty.
Presumptive Medicaid Eligibility

Effective January 2014. Medicaid-eligible populations should be presumed eligible for Medicaid by hospitals.

Health Insurance Tax

Effective January 2014. A tax on health insurance plans purchased in the fully insured market, (e.g., primarily applies to small businesses and individuals).

Tax Credits and Cost Sharing

Effective January 2014. Provides tax credits and cost sharing subsidies to families with incomes between 133 percent to 400 percent of FPL.

Guaranteed Insurance

Effective January 2014. Requires insurers to provide health insurance regardless of consumer’s health status.

No Annual Limits


Multi-State Plans

Effective January 2014. At least two multi-state plans must be offered in each exchange.

Reinsurance Program

Effective January 2014 until December 2016. Insurers and TPAs must contribute a certain amount to the state reinsurance program each plan year on behalf of group health plans.

Medicare Advantage Plan Loss Ratio

Effective January 2014. Requires Medicare Advantage plans to have medical loss ratios no lower than 85 percent.

Essential Health Benefits

Effective January 2014. Small business and individual health insurance policies must cover essential health benefits as determined by the Secretary of HHS.

Health Insurance Exchanges

Effective January 2014. Individual and SHOP exchanges to open as marketplaces for health insurance. SHOP exchanges partially delayed – see below.

Insurance Market Reforms
Effective January 2014. Insurers cannot impose coverage restrictions based on pre-existing conditions and must offer coverage to everyone. Out-of-pocket caps included in provision delayed – see below.

**Health Insurance Sector Fees**

Effective January 2014. Imposes new fees on the health insurance sector.

**Hospital-Acquired Infections**

Effective FY 2015. Reduces Medicare payments to hospitals for hospital-acquired conditions by 1 percent.

**CHIP Federal Match Increase**

Effective October 2015. Provides for a 23 percent increase in the Children’s Health Insurance Program (CHIP) match rate up to a cap of 100 percent.

**Quality of Care Payments**

Effective January 2015. Ties physician payments to the quality of care.

**Health Care Choice Compacts**

Effective January 2016. Permits states to form health care choice compacts and allows insurers to sell policies in any state participating in the compact.

**SHOP Exchange Expansions**

Effective January 2016 and 2017. SHOP exchanges expanded to provide plans for businesses with up to 100 employees in 2016. SHOP exchanges may open to large businesses in 2017.

**Cadillac Tax**

Effective January 2018. Excise tax on insurers for the value of "excess" coverage.

**DELAYED, CANCELED, OR REPEALED PROVISIONS**

**SHOP Exchange**

Originally scheduled to go into effect January 2014. Delayed one year. Small Business Health Options Plan Exchanges provides insurance plans for small businesses, allowing each employer to choose level of coverage while employees can choose a plan from any insurance company.

**Employer Mandate**

Originally scheduled to go into effect January 2014. Delayed one year. Employers with more than 50 employees must offer coverage that is affordable and that meets the minimum value standards or face penalty.
Out-of-Pocket Caps

Originally scheduled to go into effect January 2014. Delayed one year. Caps co-pays and deductibles for individual and family plans.

Eligibility Requirements

Originally scheduled to go into effect January 2014. Delayed indefinitely. Enforcement of a number of key enforcement requirements for health insurance subsidies.

Wellness Programs

Originally scheduled to go into effect January 2011. Delayed indefinitely. Grants for small employers that establish wellness programs.

Nutritional Labeling

Originally scheduled to go into effect 2011. Delayed indefinitely. Requires disclosure of nutritional content of menu items by chain restaurants and vending machines.

CLASS Act

Originally scheduled to go into effect January 2011. Repealed. Voluntary federal insurance program for employees to purchase long-term care, employers may elect to automatically enroll employees in the program, allowing employees to opt-out.

Medicaid Payment Demonstration

Originally scheduled to go into effect January 2012. Funds have not been appropriated. Creates new demonstration projects in Medicaid for up to eight states to pay bundled payments for episodes of care that include hospitalizations and to allow pediatric medical providers organized as ACOs to share in cost savings.

Tax Reporting

Originally scheduled to go into effect January 2012. Repealed. New tax reporting changes to help prevent tax evasions by corporation.

Financial Relationship Disclosure

Originally scheduled to go into effect January 2013. Delayed until March 2014. Physicians, hospitals, pharmacists, other health care entities, and manufacturers and distributors of covered drugs, devices, biological, and medical devices must disclose financial relationships.

Medicare DSH Payments

Originally scheduled to go into effect October 2013. Delayed until FY 2014. Reduces Medicare Disproportionate Share Hospital (DSH) payments initially by 75 percent and subsequently increases payments based on the percent of the population uninsured and the amount of uncompensated care provided.
Medicaid DSH Payments

Originally scheduled to go into effect October 2013. Delayed until FY 2014. Reduces states’ Medicaid Disproportionate Share Hospital (DSH) allotments and requires HHS to develop methodology for distributing DSH reductions.

Wellness Programs in Insurance

Originally scheduled to go into effect January 2014. Delayed until July 2014. Employers can offer rewards of up to 30 percent (possibly up to 50 percent) of insurance costs for participating in a wellness program and meeting certain health standards. Pilot program to be created instead.

Basic Health Plan

Originally supposed to go into effect January 2014. Delayed one year. Option for states to create a basic health plan for uninsured individuals with incomes between 133 percent to 200 percent of FPL.

References


