

Chronology of Major Provisions in the Patient Protection and Affordable Care Act¹

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Reform Measures Implemented in 2010

- **Small Business Health Insurance Tax Credits:** small businesses are eligible for tax credits to help them provide insurance benefits to workers; the first phase provides credit worth up to 35% of the employer's contribution to the employee's plans (effective January 1).
- **Medicaid Expansion:** states can receive federal matching funds for covering additional low-income individuals and families under Medicaid (effective April 1).
- **Closing the Medicare "Donut Hole":** seniors hitting the "donut hole" will receive a one-time, tax free \$250 rebate check (first checks mailed in June).
- **Coverage for Early Retirees:** a \$5 billion program will provide coverage to those retiring between 55 and 65, as well as their spouses and dependents; effective until more affordable coverage is available through the Exchanges in 2014 (applications for employers to participate available June 1).
- **Online Information for Consumers:** website created for consumers to compare and select health insurance coverage options (effective July 1).
- **Access to Insurance for those with Pre-Existing Conditions:** a Pre-Existing Condition Insurance Plan will offer coverage options to persons who have been uninsured for over 6 months due to a pre-existing condition; states can choose to run these programs in their state or utilize the federal program (federal program effective July 1).
- **Coverage for Young Adults:** individuals can stay on their parents' plan until they turn 26 years old (effective for health plan years beginning on or after September 23).
- **Ban on Pre-Existing Conditions for Children:** insurance companies can no longer deny coverage to persons under the age of 19 due to pre-existing conditions (effective for health plan years beginning on or after September 23 for new and existing plans).
- **Ban on Lifetime Limits:** insurance companies can no longer impose lifetime dollar limits on essential benefits (effective for health plan years beginning on or after September 23).
- **Ban on Coverage Rescission:** insurance companies cannot use errors or technical mistakes to deny payment for services (effective for health plan years beginning on or after September 23).

¹ All information compiled from the Patient Protection and Affordable Care Act, *available at* <http://www.gpo.gov/fdsys/pkg/BILLS-111hr3590enr/pdf/BILLS-111hr3590enr.pdf>, and [HealthCare.gov](http://www.healthcare.gov), *available at* <http://www.healthcare.gov/law/timeline/index.html>.

- **Regulation of Annual Limits:** the use of annual dollar limits for the amount of insurance coverage a patient may receive will be restricted for new plans in the individual market and all group plans; in 2014, annual dollar limits on essential benefits will be banned (effective for health plan years beginning on or after September 23).
- **Appealing Insurance Company Decisions:** the law creates a mechanism for consumers' appeals coverage determinations or claims to their insurer and an external review process (effective for health plan years beginning on or after September 23).
- **Free Preventative Care:** all plans must cover certain preventative services with no out-of-pocket expenses (effective for health plan years beginning on or after September 23).
- **Establishing Consumer Assistance Programs in the States:** states may apply for federal grants to set up or expand independent offices to help navigate consumers through the private health insurance system (grants awarded beginning in October).
- **Prevention and Public Health Fund:** this new \$15 billion fund will invest in proven prevention and public health programs that keep Americans healthy, including smoking cessation and combating obesity (funding begins in 2010).
- **Health Care Fraud:** the law invests additional resources and requires new screening procedures for health care providers to reduce fraud and waste in Medicare, Medicaid and CHIP (first provisions effective in 2010).
- **Primary Care Clinicians:** the law creates incentives to augment the number of primary care physicians, nurses, and physician assistants; these include funding for scholarships and loan repayments for clinicians working in underserved locations (funding distribution effective 2010).
- **Accountability for Unreasonable Rate Increases:** states utilizing measures to requires insurance companies to justify their premium increase are eligible for \$250 million in new grants; those companies with excessive/unjustified rate increases may not be able to participate in the new health Exchanges in 2014 (grants awarded beginning in 2010).
- **Payments for Rural Clinicians:** the law increases payment to rural clinicians (effective 2010).
- **Community Health Centers:** new funding is available to support the construction of, and expanded services at, community health centers (effective in 2010).

Reform Measures Implemented in 2011

- **Prescription Drug Discounts:** seniors reaching the coverage gap receive a 50% discount when buying Medicare Part D coverage brand-name prescription drugs; seniors will receive additional savings on brand-name and generic drugs until the gap is closed in 2020 (effective January 1).
- **Free Preventive Care for Seniors:** the law provides certain free preventive services (e.g. annual wellness visits, personalized prevention plans) for seniors on Medicare (effective January 1).
- **Center for Medicare and Medicaid Innovation:** this Center will test new ways of delivering care to patients to improve the quality and efficiency of care (effective by January 1).
- **Community Care Transitions Program:** helps high-risk Medicare beneficiaries who are hospitalized avoid unnecessary readmissions by coordinating care and connecting patients to services in their communities (effective January 1).
- **Decreasing Health Care Premiums:** at least 85% of all premium dollars collected by insurance companies for large employer plans and 80% of premium dollars for individual or small employer plans must be spent on health care services and quality improvement (effective January 1).
- **Medicare Advantage:** the law gradually eliminates the discrepancy between payments for traditional Medicare and Medicare Advantage (effective January 1).

Reform Measures Becoming Effective in Late 2011

- **Payment Advisory Board:** will develop and submit proposals to Congress and the President aimed at extending the Medicare Trust Fund (administrative funding available October 1).
- **Community First Choice Option:** States can offer home and community-based services to disabled individuals through Medicaid rather than institutional care in nursing homes (effective October 1).

Reform Measures Effective in 2012

- **Accountable Care Organizations:** incentivizes physicians to form ACOs (effective January 1).
- **Fighting Health Disparities:** the law requires any ongoing or new Federal health program to collect and report racial, ethnic and language data (effective March).
- **Value-Based Purchasing Program:** this Medicare program offers financial incentives to hospitals to improve the quality of care, requiring hospitals to publicly report performance (effective for payments for discharges occurring on or after October 1).
- **Reducing Administrative Costs:** the law gradually institutes changes to standardize billing and requires health plans to begin implementing rules for secure, confidential, electronic exchange of health information (first regulation effective October 1).
- **CLASS Program:** the law creates a voluntary long-term care insurance program to provide cash benefits to adults who become disabled (Secretary shall designate benefit plan before October 1).

Reform Measures Effective in 2013

- **Preventative Health Coverage:** the law provides new state Medicaid programs that choose to cover preventative services for patients at little or no cost (effective January 1).
- **Bundle Payments Program:** a national pilot program for health care providers to work together to improve the coordination and quality of patient care (effective no later than January 1).
- **Increased Medicaid Payments for Primary Care Doctors:** requires states to pay primary care physicians no less than 100% of Medicare payment rates in 2013 and 2014 for primary care services (effective January 1).
- **CHIP:** states will receive two more years of funding to continue coverage for children not eligible for Medicaid (effective October 1).

Reform Measures Effective in 2014

- **Ban on Discrimination Due to Pre-Existing Conditions or Gender:** insurance companies are prohibited from refusing to sell coverage or renew policies due to an individual's pre-existing condition; in the individual and small group market, insurance companies are banned from charging higher rates due to gender or health status (effective January 1).
- **Eliminating Annual Limits:** new plans and existing group plans are prohibited from imposing annual dollar limits on the amount of coverage an individual may receive (effective January 1).
- **Coverage for Clinical Trial Participants:** insurers are banned from dropping or limiting coverage because an individual chooses to participate in a clinical trial on cancer or other life-threatening diseases (effective January 1).
- **Tax Credits to Purchase Health Insurance:** tax credits will be available for people with incomes between 100% and 400% of the poverty line who are not eligible for other affordable coverage; these individuals may also qualify for reduced cost-sharing (effective January 1).
- **Health Insurance Exchanges:** new Exchanges will serve as a marketplace for individuals and small business to buy health insurance (effective January 1).
- **Increasing the Small Business Tax Credit:** the second phase of the small business tax credit will increase the tax credits given to small businesses to up to 50% of the employer's contribution for employee health insurance (effective January 1).
- **Expanding Medicaid:** Americans with incomes below 133% of the poverty level will be eligible to enroll in Medicaid; States will receive 100% federal funding for the first 3 years to support the expanded coverage, later phasing to 90% federal funding (effective January 1).
- **Individual Mandate:** most individuals will be required to obtain health insurance coverage; those persons not exempt who do not obtain coverage will pay a penalty (effective January 1).

Reform Measures Effective in 2015

- **Physician Payments Based on Value:** physician payments will be tied to the quality of care they provide, with those providing higher value care receiving higher payments (effective January 1).