



Health Care Reform Overview

Effective Date	Impacted Party	Topic	Sub-Topic	Detail
2010	Individual	Coverage	Pre-Existing Conditions	Insurers can no longer refuse to sell or renew policies because of an individual's health status. Insurers can't charge higher rates because of health status, gender or other factors.
2010	Individual	Coverage	Rescissions	Insurance companies can no longer terminate coverage for an individual when he or she gets sick.
2010	Business	Cost	Small Business Tax Credits	Businesses with fewer than 50 employees will get tax credits covering up to 50% of employee premiums.
2010	Business	Cost	Small Business Tax Credits	Companies with fewer than 50 workers won't face any penalties if they don't offer insurance.
2010	Business	Cost	Small Business Tax Credits	Companies can get tax credits to help buy insurance if they have 25 or fewer employees and a workforce with an average wage of up to \$50,000. Tax credits of up to 35% of the cost of premiums will be available this year and will reach 50% in 2014. The full credits are for the smallest firms with low-wage workers; the subsidies shrink as companies' workforces and average wages rise.
2010	Business	Cost	Small Business Tax Credits	Companies with 50 or more employees must offer coverage to employees or pay up to a \$2,000 penalty per employee (after their first 30 employees) if at least one of their employees receives a tax credit. Waiting periods before insurance takes effect is limited to 90 days. Employers who offer coverage but whose employees receive tax credits will pay \$3,000 for each worker receiving a tax credit.
2010	Retirees	Cost	'Donut Hole' Rebate	Seniors will get a \$250 rebate to help fill the "doughnut hole" in Medicare prescription drug coverage, which falls between the \$2,700 initial limit and when catastrophic coverage kicks in at \$6,154.
2010	Individual	Coverage	Health Coverage for Young Adults	If you're an adult younger than 26, you can stay on your parent's insurance coverage as long as you are not offered health coverage at work. Regulations clearly spelling out eligibility criteria yet to be finalized.
2010	Individual	Coverage	Health Coverage for Young Adults	Individuals in their 20s will be given the option of buying a "catastrophic" plan that will have lower premiums and a \$6,000 in out-of-pocket expense threshold.
2010	Individual	Coverage	Preventive Care for New Plans	New plans must cover checkups and other preventive care without co-pays. All plans will be affected by 2018.
2010	Insurer	Regulation	Transparency In Insurance Companies	Insurers must now reveal how much money is spent on overhead.
2010	Individual	Regulation	Customer Appeals Process	Any new plan must now implement an appeals process for coverage determinations and claims.
2010	Individual	Cost	Indoor Tanning Services Tax	This tax will impose a ten% tax on indoor tanning services. This tax, which replaced the proposed tax on cosmetic surgery, would be effective for services on or after July 1, 2010.
2010	Individual	Regulation	Enhanced Fraud Abuse Checks	New screening procedures will be implemented to help eliminate health insurance fraud and waste.
2010	Retirees	Regulation	Medicare Expansion To Rural Areas	Medicare payment protections will be extended to small rural hospitals and other health care facilities that have a small number of Medicare patients.
2010	Retirees	Coverage	Health Coverage for Early Retirees	A temporary program for companies that provide early retiree health benefits for those ages 55-64 in order to help reduce the often-expensive cost of that coverage.
2010	Individual	Regulation	Consumer Information On The Web	Secretary of Health and Human Services will set up a new Web site to make it easy for Americans in any state to seek out affordable health insurance options The site will also include helpful information for small businesses.
2011	Retirees	Cost	'Donut Hole' Rebate	Seniors will get a 50% discount on brand-name drugs for Prescription Drug Plan or Medicare Advantage enrollees to fill the so-called "donut hole" in Medicare drug coverage, which severely limits prescription medication coverage expenditures over \$2,700. Additional discounts on brand-name and generic drugs will be phased in to completely close the "donut hole" by 2020.
2011	Retirees	Coverage	Medicare Wellness Plan	Medicare will provide free annual wellness visits and personalized prevention plans. New plans will be required to cover preventive services with no co-pay.
2011	Insurer	Regulation	Tax Deductions For Blue Cross / Blue Shield	Non-profit Blue Cross organizations will be required to maintain a medical loss ratio (money spent on procedures over money incoming) of 85% or higher to take advantage of IRS tax benefits.

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2011	Individual	Regulation	Nutrient Content Disclosure	Chain restaurants will be required to provide a "nutrient content disclosure statement" alongside their items (with calories listed both on in-store and drive-through menus of fast-food restaurants in the near future).
2011	Individual	Regulation	Investment in New Therapies	A two-year temporary credit (up to a maximum of \$1 billion) to encourage investment in new therapies for the prevention and treatment of diseases.
2011	Individual	Cost	Adoption Tax Credit	Adoption tax credit and assistance exclusion will increase by \$1,000. The bill makes the credit refundable and extends it through 2011.
2011	Individual	Cost	Early HSA Withdrawal Tax Increase	Additional tax for health savings account withdrawals before age 65 for nonqualified medical expenses will increase from 10% to 20%. Additional tax for Archer medical savings account withdrawals not used for qualified medical expenses will increase from 15% to 20%
2011	Business	Regulation	Cafeteria Plan Administrative Assistance	A plan to provide a vehicle for small businesses to offer tax-free benefits will be created. This would ease the small employer's administrative burden of sponsoring a cafeteria plan.
2011	Individual	Cost	Medicare Tax Increase	The Medicare payroll tax will increase from 1.45% to 2.35% for individuals earning more than \$200,000 and married filing jointly above \$250,000.
2013	Insurer	Regulation	Uniform Health Information Standards	Health plans must implement uniform standards for electronic exchange of health information to reduce paperwork and administrative costs.
2013	Individual	Coverage	Reduced FSA Limits	Contributions to flexible savings accounts will be limited to \$2,500 per year, indexed by the Consumer Price Index in subsequent years.
2013	Business	Cost	Medicare Part D Employer Subsidy	The Employer Medicare Part D subsidy deduction will be eliminated. Employers will lose the tax deduction for subsidizing prescription drug plans for Medicare Part D-eligible retirees.
2013	Individual	Cost	Tax Threshold Increase	There will be increases to the income threshold from 7.5% to 10% of adjusted gross income. Those older than 65 can claim the 7.5% deduction through 2016.
2013	Individual	Cost	Hospital Insurance Tax	The hospital insurance tax will increase 0.9 percentage points for those earning more than \$200,000 (\$250,000 for married filing jointly), and it includes net investment income.
2014	Individual	Coverage	Pre-Existing Conditions	Insurers can no longer refuse to sell or renew policies because of an individual's health status. Additionally, insurers can't charge higher rates because of health status, gender or other factors. A temporary high-risk pool will be set up to cover adults with pre-existing conditions. Health care exchanges will eliminate the temporary program in 2014.
2014	Individual	Coverage	Insurance Benefit Caps	Lifetime caps on the amount of insurance an individual can have will be banned.
2014	Individual	Coverage	Insurance Benefit Caps	Health plans will be prohibited from imposing annual limits on coverage.
2014	Insurer	Regulation	Health Insurance Provider Fee	An annual health insurance provider fee will be imposed across the health insurance sector according to insurers' market share to companies whose total premiums exceed \$25 million.
2014	Individual	Cost	Mandatory Coverage Penalty	Citizens will be required to have acceptable coverage or pay a penalty of \$95 in 2014, \$325 in 2015, \$695 (or up to 2.5% of income) in 2016. Families will pay half the amount for children, up to a cap of \$2,250 per family. After 2016, penalties are indexed to Consumer Price Index. Workers who are exempt from individual responsibility for coverage but don't qualify for tax credits can take their employer contribution and join an exchange plan.
2014	Individual	Coverage	Health Insurance Exchanges	Health insurance exchanges will open in each state to individuals and small employers to comparison shop for standardized health packages.
2014	Individual	Cost	Health Insurance Exchanges	Credits will be available through exchanges for those whose income is above Medicaid eligibility and below 400% of poverty level who are not eligible for or offered other acceptable coverage
2014	Individual	Coverage	Medicaid Eligibility	Medicaid eligibility will increase to 133% of poverty for all nonelderly individuals to ensure that people obtain affordable health care in the most efficient and appropriate manner. States will receive increased federal funding to cover these new populations.
2018	Individual	Coverage	Preventive Care for Existing Plans	Existing plans must cover checkups and other preventive care without co-pays by 2018.
2018	Individual	Cost	Taxing "Cadillac" Plans	2018 Taxing "Cadillac" plans: An excise tax will be imposed on high-cost, employer-provided health plans beyond \$27,500 for family coverage and \$10,200 for single coverage; it will increase to \$30,950 for families and \$11,850 for individuals, retirees and employees in high-risk professions.