

## Health care reform: What happens next?

The health care reform bill that President Obama signed on March 23 and the House-passed changes that the Senate is considering would change the health care system in America over the next decade. Here is a look at some of the major provisions in the legislation and when they would take effect.

Effective	What the legislation would do
<p><b>2010</b></p>	<ul style="list-style-type: none"> <li>• Require insurers to cover preventive screenings such as immunizations for children and cancer screenings for women.</li> <li>• Extend coverage to dependent children up to age 26 on their parents' policies.</li> <li>• Give tax credits to businesses with no more than 25 employees and average wages of \$40,000 to support coverage for their workers. The credit would be up to 35 percent of the employer's contribution if the employer pays 50 percent of the total premium.</li> <li>• Introduce provisions to begin closing the doughnut hole for seniors in Medicare Part D, starting with a \$250 rebate.</li> <li>• Prohibit insurers from rescinding coverage (except in cases of fraud), placing lifetime dollar limits on benefits, or excluding coverage for children with preexisting conditions.</li> <li>• Create \$5 billion temporary high-risk insurance pool to provide coverage to individuals with preexisting conditions who have not had insurance for at least six months.</li> </ul>
<p><b>2011</b></p>	<ul style="list-style-type: none"> <li>• Require insurers to provide rebates to customers if the insurers spend less than 85 percent of the premium dollar they collect on health care.</li> <li>• Freeze Medicare Advantage reimbursement rates at 2010 levels.</li> <li>• Begin assessing fees on pharmacy companies, estimated at \$30 billion over 10 years.</li> <li>• Begin aggressive measures to fight fraud, waste, and abuse.</li> <li>• Launch national Medicare five-year patient-centered medical homes pilot.</li> <li>• Increase funding by \$11 billion for community health centers.</li> </ul>

<p><b>2012-2013</b></p>	<ul style="list-style-type: none"> <li>• Increase Medicare payroll tax by 0.9 percent on individuals making more than \$200,000 and couples making more than \$250,000. Unearned income, now exempt from the payroll tax, would also be subject to a 3.8 percent tax.</li> <li>• Begin assessing fees on makers of durable medical equipment, estimated at \$20 billion over 10 years.</li> <li>• Impose limits of \$2,500 on flexible spending account contributions for health expenses.</li> </ul>
<p><b>2014</b></p>	<ul style="list-style-type: none"> <li>• Begin assessing fees on health insurers estimated at \$70 billion over 10 years.</li> <li>• Mandate that everyone purchase insurance. Those who do not will pay an annual penalty, at \$95 or 1 percent of income, whichever is greater.</li> <li>• Require employers who do not offer health benefits, or whose workers get coverage through an exchange, to pay a \$2,000 penalty per employee. Pertains to employers that have 50 workers and the first 30 employees are exempt from the penalty.</li> <li>• Offer federal subsidies to qualified Americans to offset the cost of insurance.</li> <li>• Begin insurance reforms that guarantee coverage and prohibit exclusions for preexisting conditions and annual dollar limits on coverage.</li> <li>• Begin state-based health exchanges.</li> <li>• Expand Medicaid to cover 15 million uninsured. From 2014 to 2016, the federal government will pay all of the costs for covering the newly eligible Medicaid beneficiaries.</li> <li>• Require plans to offer essential benefits for individuals and small groups.</li> </ul>
<p><b>2015</b></p>	<ul style="list-style-type: none"> <li>• Raise penalties for not having insurance to \$325 or 2 percent of income, whichever is greater.</li> </ul>
<p><b>2016</b></p>	<ul style="list-style-type: none"> <li>• Raise penalties for not having insurance to \$695 or 2.5 percent of income, whichever is greater.</li> </ul>
<p><b>2017-2018</b></p>	<ul style="list-style-type: none"> <li>• Begin 40 percent excise or “Cadillac” tax on expensive health plans: \$27,500 for a family plan and \$10,200 for an individual plan.</li> </ul>