What the Health Reform Bill Does and How It Affects You:

2010

- Sets up a high-risk health insurance pool to provide affordable coverage for uninsured people with medical problems.
- Requires all health insurance plans to maintain dependent coverage for children until age 26; prohibits insurers from denying coverage to children due to pre-existing health problems.
- Bars insurance companies from putting lifetime dollar limits on coverage, and canceling policies, except for fraud.
- Provides tax credits to help small businesses with up to 25 employees get and keep coverage for their employees.
- Begins narrowing the Medicare prescription coverage gap by providing a $250 rebate to senior citizens in the gap, which starts this year once they've spent $2,830. Gap fully closed by 2020.
- Preventive services – Health insurance plans would be required to cover preventive services such as immunizations for children and cancer screenings for women.
- Imposes 10% sales tax on indoor tanning.

2011

- Over-the-counter drugs will no longer qualify for reimbursement under a health reimbursement account or health flexible spending account.
- Creates a voluntary long-term care insurance program to provide modest cash benefit helping disabled people stay in their homes or cover nursing home costs. Benefits can begin five years after people start paying a fee for the coverage.
- Provides Medicare recipients in the prescription coverage gap with a 50% discount on brand name drugs; begins phasing in additional drug discounts to close the gap by 2020.
- Provides 10% Medicare bonus to primary care doctors and general surgeons practicing in underserved areas, such as inner cities, and rural communities; improves preventive coverage.
- Freezes payments to Medicare Advantage plans, the first step in reducing payments to the private insurers who serve about 1/4th of senior citizens. Reductions phased in over 3 to 7 years.
- Boosts funding for community health centers providing basic care for low-income/uninsured.
- Requires employers to report the value of health care benefits on employees W-2 tax statements.
- Imposes $2.5 billion annual fee on drug makers, increasing over time.

SOURCE: Detroit Free Press, Tuesday, March 23, 2010 edition – Section A, Page 7

What the Health Reform Bill Does and How It Affects You:

2012

- Sets up program to create nonprofit insurance cooperatives to compete with commercial insurers.
- Initiates Medicare payment reforms by encouraging hospitals and doctors to band together in quality-driven "accountable care organizations" along the lines of the Mayo Clinic. Sets up a pilot program to test more efficient ways of paying hospitals, doctors, nursing homes, and other providers who care for Medicare patients from admission through discharge.
- Penalizes hospitals with high rates of preventable readmissions by reducing Medicare payments.

2013

- Standardizes insurance company paperwork, the first in a series of steps to reduce administrative costs.
- Limits medical expense contributions to tax-sheltered flexible spending accounts to $2,500 a year, indexed for inflation. Raises threshold for claiming itemized tax deduction for medical expenses from 7.5% of income to 10%. People over age 32 can still deduct medical expenses above 7.5% of income through 2016.
- Increases Medicare payroll tax on couples making more than $250,000 and individuals making more than $200,000. The tax rate on those wages above the threshold would increase from 1.45% to 2.35%. Also adds a new tax of 3.8% on income from investments.
- Imposes a 2.3% sales tax on medical devices. Eyeglasses, contact lenses, hearing aids and everyday items bought at a drug store are exempt.

2014

- Prohibits insurers from denying coverage to people with medical problems or refusing to renew their policy. Health plans cannot limit coverage based on preexisting conditions, or charge higher rates to those in poor health. Premiums can vary only by age (no more than 3-1), place of residence, family size, and tobacco use.
- Coverage expansion goes into high gear as states create new health insurance exchanges – supermarkets for individuals and small businesses to buy coverage. People who already have employer coverage won't see any changes.
- Provides income-based tax credits for most consumers in the exchanges, substantially reducing costs for many. Sliding scale credits phase out completely for households above four times the federal poverty level, about $88,000 for a family of four.

What the Health Reform Bill Does and How It Affects You:

- Medicaid expanded to cover low-income people up to 133% of the federal poverty line, about $28,300 for a family of four. Low-income childless adults covered for first time.
- Requires citizens and legal residents to have health insurance, except in cases of financial hardship, or pay a fine to the IRS. Penalty starts at $95 per person in 2014, rising to $695 in 2016. Family penalty is capped at $2,250. Penalties indexed for inflation after 2016.
- Penalizes employers with more than 50 employees if any of the employees get coverage through the exchange and receive a tax credit. The penalty is $2,000 times the total number of employees. However employers get to deduct the first 30 employees.

2018

- Imposes a tax on employer-sponsored health insurance worth more than $10,200 for individuals and $27,500 for families. The tax is 40% of the plan value above the thresholds indexed for inflation.

2020

- Doughnut hole coverage gap in Medicare prescription benefit is phased out. Seniors continue to pay 25% of their drug costs until they reach threshold of Medicare catastrophic coverage, when their co-payments drop to 5%.

SOURCE: Detroit Free Press, Tuesday, March 23, 2010 edition – Section A, Page 7