

# UNDERSTANDING HEALTHCARE REFORM

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Key provisions of healthcare legislation passed in 2010 will go into effect each year through 2020. Learn what to expect and when.

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act were signed into law back in March 2010. Together, they'll change the way you access health insurance coverage. Here's a breakdown of changes you can expect to see.

## SEVERAL PROVISIONS ARE ALREADY IN EFFECT

### ACCESSIBLE INFORMATION

- A website ([finder.healthcare.gov](http://finder.healthcare.gov)) that allows you to **easily compare health insurance options**.
- Setting up or expanding **consumer assistance programs** to help navigate the private health insurance system.

### PROTECTIONS

- **Rules that prevent insurance companies from denying coverage to children** due to pre-existing conditions.
- Establishing an option for consumers to **appeal coverage determinations or claims**.

### IMPROVING CARE

- Improving care for seniors after they leave the hospital by **coordinating care and connecting patients to community services**.
- **Increasing access to home and community-based services** for disabled individuals through Medicaid.
- Incentives to hospitals to **improve the quality of care** and for physicians to **better coordinate patient care** through accountable care organizations.
- Increased **utilization of electronic health records** to reduce paperwork, improve the quality of care and lower administrative costs.

### EXPANDED COVERAGE

- **Eliminating lifetime limits** on essential benefits, like hospital stays.
- **Regulating annual limits** on the amount of insurance coverage a patient may receive.
- **Free preventive services** such as mammograms and colonoscopies. Seniors on Medicare will also receive free services, such as annual wellness visits and personalized prevention plans.
- **Expanding coverage for early retirees** who don't yet qualify for Medicare.

### COSTS

- **Providing tax credits to help small businesses** extend insurance benefits to employees.
- A one-time, tax-free **rebate check for seniors who hit the Medicare prescription drug "donut hole."** Seniors who reach the prescription coverage gap will also receive a 50% discount when buying drugs covered under Medicare Part D. Steps will be taken to gradually close the gap until it's eliminated by 2020.
- **High-income earners** who pay higher premiums for Medicare Part B **will now pay more for Part D** prescription drug coverage.

## OTHER PROVISIONS WILL PHASE IN EACH YEAR

### 2013

- New funding to state Medicaid programs that **improve patient access to preventive services** for little or no cost.
- A national pilot program to encourage hospitals, doctors and other providers to **coordinate patient care and improve the quality of care**.
- **Higher Medicaid payments** for primary care doctors.
- Additional **funding for the Children's Health Insurance Program**.
- A **0.9% Medicare surtax** will apply to single taxpayers who earn more than \$200,000 and married couples who earn more than \$250,000.
- For the first time, a **3.8% Medicare tax will apply to investment income of high earners**. The tax applies to whichever is less, unearned income or the amount by which adjusted gross income exceeds the \$200,000 or \$250,000 limits.

### 2014

- **Guidelines that prohibit discrimination** based on pre-existing conditions or gender.
- **Eliminating annual limits** on insurance coverage.
- Ensuring **coverage for clinical trial participants**.
- **Tax credits** for people at certain income levels to make it easier to afford insurance.
- **Health insurance exchanges** to help individuals and small businesses obtain affordable health benefit plans
- **Tax credits up to 50%** for qualified small businesses and small nonprofit organizations.

### 2015

- **Physicians paid based on the quality of care** they provide, not volume.

## ADDITIONAL RESOURCES

This information is intended to provide an overview of the changes to come over the next few years. For additional information, please visit [healthcare.gov](http://healthcare.gov). Your financial advisor can also help you better understand how this information may affect your financial plan. ■

*The Department of Health and Human Services will not enforce these rules against issuers of standalone retiree-only plans in the private health insurance market.*

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