

# HEALTH CARE REFORM TIMELINE 2010 - 2020

How does health care reform affect you?



## Hello. We're glad you're checking out our content.

We just wanted to let you know that this content is a little bit behind the times. It's still useful—but it's not our freshest material.

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### Wondering why PeopleKeep is showing up in your Zane Benefits content?

PeopleKeep was created to personalize benefits for small business. Zane Benefits and PeopleKeep worked in parallel for a short time, but as PeopleKeep grew, we decided they should function as one company.

Zane Benefits is now part of PeopleKeep.

## Our story

Offering traditional group benefits sucks. Why? They're too expensive, too complex, and too one-size-fits-all. PeopleKeep is a new way to offer benefits called personalized benefits. Most people believe benefits are the services a company offers, such as a health insurance plan or 401k. With personalized benefits, it's the opposite. Companies give people tax-free money to spend on the consumer services they find most valuable. It's as simple as wages. For small businesses that think offering traditional group benefits sucks, PeopleKeep is personalized benefits automation software that makes offering benefits simple, painless, and personal for everyone.

Today more than 3,000 companies use PeopleKeep to hire and keep their people across the United States. PeopleKeep is based in Salt Lake City, Utah.

To learn more about PeopleKeep, visit [www.peoplekeep.com](http://www.peoplekeep.com).



### Ready to see how PeopleKeep can work for your company?

Visit [www.peoplekeep.com/demo](http://www.peoplekeep.com/demo) to preview our software or click below to contact a Personalized Benefits Advisor.

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Successfully transition to a health benefits solution that creates happier employees, reduces costs, and frees up time for meaningful work. [Request a Demo.](#)

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### Controllable Costs

Employers fix their costs by utilizing a defined contribution approach. [Learn more.](#)

### More Time for Meaningful Work

Once implemented, Zane's solution takes less than 5 minutes per month to administer online. [Learn more.](#)

### Easy Transition

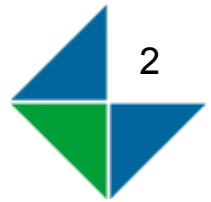
Zane Benefits' implementation team will ensure a smooth and fast transition for you and your employees. [Learn more.](#)

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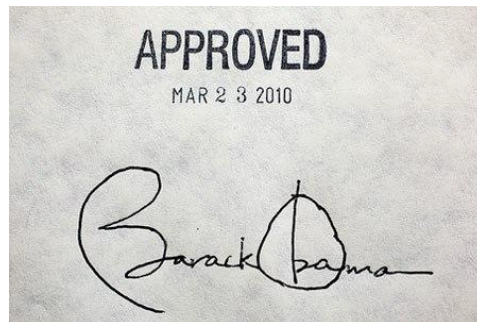


# INTRODUCTION



On March 23, 2010, President Obama signed the Patient Protection and Affordable Care Act (PPACA). The law put into place comprehensive health insurance reforms that have had, and will have, major impact on the health care industry for employers, individuals and families, insurance professionals, healthcare providers and financial planners.

The purpose of this ebook is to outline key changes in health care reform from 2010 to 2020. Each chapter outlines new programs and new insurance reforms by year.



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# CHAPTER 1: 2010



## New Health Care Programs in 2010

- The temporary retiree reinsurance program took effect.
- The national Pre-existing Condition Insurance Pool (PCIP) was launched.
- The Small Business Tax Credit took effect.
- The Medicare members who reached the "donut hole" received a \$250 rebate.

*"PCIP provides a new health coverage option for people who have been without health coverage for at least 6 months and have a pre-existing condition or have been denied health coverage because of their health condition."*

Source: PCIP ([www.pcip.gov](http://www.pcip.gov)), 2013

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## Insurance Reforms in 2010

- Lifetime dollar limits were disallowed on essential benefits.
- Restricted yearly limits were allowed on the dollar value of certain benefits.
- Coverage rescissions/cancellations were disallowed except for fraud or intentional misrepresentation.
- Cost-sharing obligations were disallowed for preventive services in network.
- Dependent coverage, if provided, was required up to age 26.
- Enhanced internal and external appeal processes and requirements took effect.
- Pre-existing condition exclusions were disallowed for enrollees (under 19 years of age).

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# CHAPTER 2: 2011



## New Health Care Programs in 2011

- The Medicare members who reached the "donut hole" received a 50 percent discount on brand-name drugs.
- Primary care doctors and general surgeons practicing in underserved areas received a 10 percent Medicare bonus.
- The new voluntary long term care insurance program (CLASS) was suppose to become effective, but was not implemented.

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## Insurance Reforms in 2011

- The Medical Loss Ratio (MLR) rules took effect:
  - The minimum MLR for the Small Group or Individual market became 80%
  - The minimum MLR for the Large Group market became 85%
- The rate review rule requiring insurers of individual/small group plans to provide detailed information for any proposed increase equal to or greater than 10 percent, along with the reason for the proposed increase took effect.
- Medicare Advantage cost-sharing limits took effect.
- Medicare Advantage plans began restructuring of payments and froze 2011 payments at 2010 levels.

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## Other Insurance-Related Reforms in 2011

- The new rule excluding costs for over-the-counter drugs not prescribed by a doctor from being reimbursed through an HSA, FSA, or HRA took effect.
- The new rule requiring employers to report the value of health care benefits on employee W2 tax statements took effect and was optional for 2011.

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# CHAPTER 3: 2012



## New Health Care Programs 2012

- New Accountable Care Organization (ACO) Medicare program allowing providers organized as accountable care organizations (ACOs) that meet quality thresholds to share in the cost savings they achieve for the Medicare program took effect.
- New procedures for screening, oversight, and reporting for providers and suppliers that participate in Medicare, Medicaid, and CHIP took effect.
- Reduced rebates paid to Medicare Advantage plans took effect.
- New annual fees on the pharmaceutical manufacturing sector took effect.

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## Insurance Reforms 2012

- New uniform Summary of Benefits and Coverage (SBC) requirement to help consumers compare health insurance coverage options took effect.
- New hospital value-based purchasing program in Medicare to pay hospitals based on performance on quality measures took effect.
- Reduced Medicare payments to hospitals to account for excess hospital readmissions took effect.

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# CHAPTER 4: 2013



## New Health Care Programs 2013

- Increase in the Medicare Part A (hospital insurance) tax rate on wages by 0.9% on earnings over \$200,000 for individual taxpayers and \$250,000 for married couples filing jointly takes effect.
- New \$2,500 annual limit on contributions to health flexible spending accounts (FSAs) takes effect.
- Increase in the threshold for the itemized deduction for unreimbursed medical expenses from 7.5% of adjusted gross income to 10% of adjusted gross income takes effect.

*But Wait...*  
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## New Health Care Programs 2013 (*continued*)

- New 2.9% tax on medical device manufacturers takes effect.
- Phase-in of federal subsidies for brand-name prescriptions filled in the Medicare Part D coverage gap takes effect.
- The tax-deduction for employers who receive Medicare Part D retiree drug subsidy payments is eliminated.
- New Consumer Operated and Oriented Plan (CO-OP) Program takes effect.
- Extended CHIP funding takes effect.

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## Insurance Reforms in 2013

- New Medicaid programs for preventative services and primary care take effect.

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# CHAPTER 4: 2014



## New Health Care Programs in 2014

- New tax requiring U.S. citizens to have qualifying health coverage takes effect.
- New tax requiring certain large employers to provide health coverage takes effect (\*delayed to 2015\*).
- Medicaid expansion to individuals not eligible for Medicare with incomes up to 133% FPL takes effect.
- New premium tax subsidies for families with incomes between 133-400% of the federal poverty level take effect.
- New cost-sharing tax subsidies for families with incomes up to 250% of the federal poverty level take effect.
- New temporary reinsurance program takes effect.

2014 is a significant year!

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## Insurance Reforms in 2014

- New state-based American Health Benefit Exchanges and Small Business Health Options Program (SHOP) Exchanges take effect. 
- New guaranteed issue rules with uniform insurance rating requirement take effect.
- New guaranteed renewability requirement takes effect.
- Full abolition of annual limits on essential health benefits takes effect.
- Prohibition of waiting periods greater than 90 days takes effect.
- Prohibition of pre-existing condition exclusions takes effect.
- New essential health benefits package limiting annual cost-sharing to the Health Savings Account limits takes effect.
- Minimum medical loss ratio of 85 percent requirement for Medicare Advantage plans takes effect.



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State by State Guide To Health Insurance Marketplaces

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# CHAPTER 5: 2015



## New Health Care Programs in 2015

- Independent Payment Advisory Board (IPAB) for Medicare that submits proposals to Congress for fast-track approval to reduce costs & improve quality takes effect.
- State eligibility to receive a 23% increase in the CHIP federal match rate (FMAP) takes effect.
- State option, subject to HHS approval, to shift children eligible for CHIP to a health plan sold in the state insurance exchange takes effect.

- New tax requiring certain large employers to provide health coverage takes effect (\*originally 2014, delayed to 2015\*).

## Insurance Reforms in 2015

- New provision that ties physician payments to the quality of care they provide takes effect.

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# CHAPTER 6: 2016 & Beyond



## New Health Care Programs in 2016

New program allowing states to form health care choice compacts allowing insurers to sell policies in any state participating in the compact take effect.

## Insurance Reforms in 2016

All businesses with 100 or fewer FTE employees will be able to purchase insurance through the state SHOP exchange.

## New Health Care Programs in 2017

*No significant new programs*

## Insurance Reforms in 2017

State ability to allow large employers (with 100+ employees) to provide coverage through a SHOP Exchange takes effect.

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## New Health Care Programs in 2018

New tax on high-cost health insurance imposing an excise tax on insurers of employer-sponsored health plans with aggregate expenses that exceed \$10,200 for individual coverage and \$27,500 for family coverage takes effect.

## New Health Care Programs in 2019

Temporary comparative effectiveness research (CER) fee program ends.

## New Health Care Programs in 2020

Full phase out of the coverage gap known as the “Donut Hole” in the Medicare Part D prescription drug benefit takes effect.

## Insurance Reforms in 2018-2020

*No significant insurance reforms*

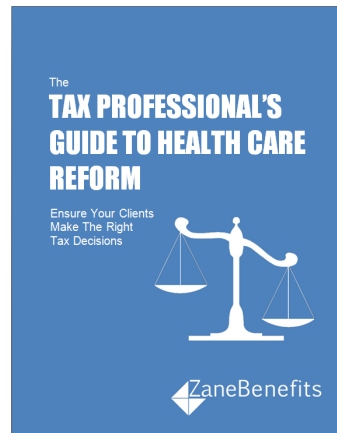
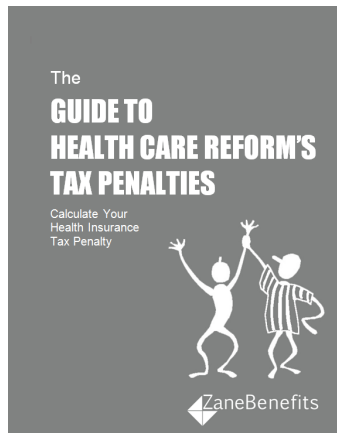
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