



The Patient Protection and Affordable Care Act

Shared Responsibility for Health Care

The Patient Protection and Affordable Care Act will create a new framework to ensure that our nation's health care system works for everyone. Government, insurance companies, medical providers, pharmaceutical and medical device companies, employers, and individuals – each have a vital role to play to create this new and accountable system. Health reform can only succeed if everyone does their part.

The Government Will Ensure Access to Affordable, Quality Coverage

- ✓ New health insurance Exchanges will provide consumer-friendly access to quality and affordable health insurance choices.
- ✓ State Medicaid programs will be opened to all uninsured persons with incomes below 133 percent of the federal poverty level.
- ✓ New tax credits will make coverage affordable for everyone without affordable coverage up to 400 percent of the federal poverty level (up to \$88,200 for a family of four).

Health Insurance Companies Will Operate with New Rules and New Roles

- ✓ Health insurance companies will no longer deny coverage due to pre-existing conditions, no longer charge women higher premiums, no longer refuse to cover victims of domestic violence, no longer cancel policies when you get sick, and no longer set lifetime limits on how much coverage you get when you're seriously ill.
- ✓ Health insurance companies will have to report how much of each premium dollar is spent on medical care, and will provide rebates if too much is spent on bureaucracy, advertising, executive salaries, and profits.
- ✓ New excise taxes will ensure that insurance companies pay their fair share to achieve national health reform.

Hospitals, Physicians, and Other Medical Providers

- ✓ Hospitals will be held accountable to reduce preventable hospital readmissions and preventable health care acquired infections. Increasingly, their payments will be linked to improving their quality and the outcomes of their care.
- ✓ Physicians will also be paid based on quality of care and not on the volume of services they provide.
- ✓ A new and Independent Medicare Advisory Board will identify ways to lower costs, improve outcomes, promote quality, and expand access to evidence-based care.

Pharmaceutical and Medical Device Companies

- ✓ Pharmaceutical and medical device companies will collectively pay \$4.3 billion per year beginning in 2010 to help finance the cost of affordable quality health insurance coverage for all Americans.
- ✓ Pharmaceutical companies will provide low and middle-income Medicare beneficiaries with a 50 percent discount on brand-name drugs purchased in the "donut hole" coverage gap.

Employers

- ✓ Employers with more than 200 employees will be required to automatically enroll all employees in their health insurance plans, allowing individual workers to opt-out.
- ✓ Employers with more than 50 full-time workers that do not offer health insurance coverage will pay an assessment of \$750 per full-time worker if any of their employees obtains premium tax credits through the Exchange. Employers that offer unaffordable coverage or coverage that does not cover at least 60 percent of allowable costs will pay \$3,000 for any employee that receives a tax credit in the Exchange up to a cap of \$750 for every full-time employee.
- ✓ Employers will be precluded from using waiting periods for coverage that exceed 90 days and will make a payment for any employees that have to wait more than 30 days.
- ✓ Employers will be required to provide notice to their employees of their health insurance options, including coverage through the Exchange.

Individuals

- ✓ Individuals who can afford to purchase health insurance coverage and do not do so will face a penalty of \$95 in 2014, \$350 in 2015, and \$750 in 2016 (indexed thereafter). Parents will face a penalty at half the rate of adults if they can afford coverage for their children and do not obtain it, with a cap of three times the adult penalty per family.
- ✓ This requirement is essential to keep the cost of health insurance premiums affordable. Without a coverage requirement, the market reforms that insurance companies will implement such as eliminating pre-existing condition requirements and requiring guaranteed issue would make the price of health insurance unaffordable for most Americans.