



## Summary

The *Affordable Care Act* will ensure that all Americans have access to quality, affordable health care and significantly reduce long-term health care costs. The non-partisan Congressional Budget Office (CBO) has determined that these bills will provide coverage to 32 million Americans while lowering health care costs over the long term. This historic legislation will reduce the deficit by \$143 billion over the next ten years, with \$1.2 trillion in additional deficit reduction in the following decade.

### **Quality, Affordable Health Care for All Americans**

- ✓ Bars insurance companies from discriminating based on pre-existing conditions, health status, and gender.
- ✓ Provides Americans with better coverage and the information they need to make informed decisions about their health insurance.
- ✓ Creates health insurance Exchanges – competitive marketplaces where individuals and small business can buy affordable health care coverage in a manner similar to that of big businesses today.
- ✓ Offers premium tax credits and cost-sharing assistance to low and middle income Americans, providing families and small businesses with the largest tax cut for health care in history.
- ✓ Ensures access to immediate relief for uninsured Americans with pre-existing conditions on the brink of medical bankruptcy.
- ✓ Creates a reinsurance program in support of employers who offer retirees age 55-64 health coverage.
- ✓ Invests substantially in Community Health Centers to expand access to health care in communities where it is needed most.
- ✓ Empowers state insurance commissioners and the Department of Health and Human Services to conduct annual reviews of new plans demanding unjustified, egregious premium increases.

### **The Role of Public Programs**

- ✓ Expands eligibility for Medicaid to include all non-elderly Americans with incomes at or below 133 percent of the Federal Poverty Level (FPL).
- ✓ The federal government will pay 100 percent of the cost of covering these newly-eligible individuals for the first three years of the expansion, will decrease its contribution incrementally from 2017 to 2019, and then will pay 90 percent of costs in 2020 and beyond.
- ✓ Maintains current funding levels for the Children's Health Insurance Program (CHIP) for an additional two years, through fiscal year 2015.
- ✓ Increases payments to primary care doctors in Medicaid.

### **Improving Medicare**

- ✓ Adds at least twelve years to the solvency of the Medicare Hospital Insurance trust fund.
- ✓ Fills the Medicare prescription drug donut hole. In 2010, Medicare beneficiaries who go into the donut hole will receive a \$250 rebate. After that they will receive a pharmaceutical

manufacturers' 50 percent discount on brand-name drugs in 2011, and phased-in cost-sharing reductions for all brand-name and generic drugs will completely fill the donut hole by 2020 .

- ✓ Provides new, free, annual wellness visits, and eliminates out-of-pocket copayments for preventive benefits under Medicare, such as cancer and diabetes screenings.
- ✓ Provides better care of chronic conditions, with doctors collaborating to provide patient-centered care for the 80 percent of older Americans who have at least one chronic medical condition like high blood pressure or diabetes.
- ✓ Improves Medicare payments for primary care which will protect access to these vital services.
- ✓ Reduces overpayments to private Medicare Advantage plans. Medicare currently overpays private plans by an average of 14 percent. The *Affordable Care Act* reins in those overpayments to ensure a fair payment system that rewards quality.
- ✓ Encourages reimbursing health care providers on the basis of value, not volume. The bill includes a number of proposals to move away from the "a la carte" Medicare fee-for-service system toward paying for quality and value while reducing costs for America's seniors.

### **Preventing Chronic Disease and Improving Public Health**

- ✓ Promotes preventive health care at all ages and improves public health activities that help Americans live healthy lives and restrain the growth of health care costs over time.
- ✓ Eliminates cost-sharing for recommended preventive care, provides individuals with the information they need to make healthy decisions, improves education on disease prevention and public health, and invests in a national prevention and public health strategy.

### **Health Care Workforce**

- ✓ Makes key investments in training doctors, nurses and other health care providers. Currently, 65 million Americans live in communities where they cannot easily access a primary care provider. An additional 16,500 practitioners are required to meet their needs. The legislation addresses shortages in primary care and other areas of practice by making necessary investments in our nation's health care workforce.
- ✓ Invests in the National Health Service Corps' scholarship and loan repayment programs to expand the health care workforce.
- ✓ Includes incentives for primary care practitioners and other providers to practice in underserved areas.

### **Transparency and Program Integrity**

- ✓ Provides consumers with information about physician ownership of hospitals and medical equipment companies, as well as nursing home ownership and other characteristics.
- ✓ Cracks down on fraud, waste, and abuse in Medicare, Medicaid, CHIP and private insurance.
- ✓ Establishes a private, non-profit entity to identify priorities in patient-centered outcomes research that will provide doctors with information on how to best treat patients and end wasteful overspending.

### **Improving Access to Innovative Medical Therapies**

- ✓ Establishes a regulatory pathway for FDA approval of biosimilar versions of previously licensed biological products.

- ✓ Expands the scope of the existing 340B drug discount program to allow more Americans to have access to medicines at lower costs.

### **Community Living Assistance Services and Support (CLASS)**

- ✓ Makes long-term support and services more affordable for millions of Americans by providing a lifetime cash benefit that will help people with severe disabilities remain in their homes and communities. CLASS is a voluntary, self-funded, insurance program provided through the workplace. For those whose employers participate, affordable premiums will be paid through payroll deductions. Participation by workers is entirely voluntary. The Congressional Budget Office confirms that the program is actuarially sound.

### **Revenue Provisions**

- ✓ Reduces the deficit in the next ten years and beyond. The bill is fully paid for with revenue provisions that focus on paying for reform within the health care system.
- ✓ Tightens current health tax incentives, collects industry fees, institutes modest excise taxes, and slightly increases the Medicare Hospital Insurance (HI) tax for individuals who earn more than \$200,000 and couples who earn more than \$250,000. The taxable base of the HI tax is also broadened by including net investment income. The HI tax increases extend the solvency of the Medicare Trust Fund by at least twelve years to 2029.
- ✓ Includes a fee on insurance companies that sell high cost health insurance plans. The fee is designed to generate smarter, more cost-effective health coverage choices, and takes effect in 2018 so that plans have time to implement reform and begin to save from its efficiencies.
- ✓ Changes health care tax incentives by increasing penalties on nonqualified distributions from HSAs, capping FSA contributions, and standardizing the definition of qualified medical expenses. The industry fees and excise taxes reflect responsible contributions from health care stakeholders who will benefit from the expanded coverage of millions of additional Americans under health care reform. The bill also assesses a small excise tax on indoor tanning services.
- ✓ In total, the revenue provisions in the bill represent a balanced, responsible package of proposals that bend the health care cost curve by putting downward pressure on health spending, close unintended tax loopholes, and promote tax compliance.