IMMEDIATE INVESTMENTS ON THE ROAD TO REFORM

Health reform can't happen overnight. It will take several years to implement reforms and establish building blocks needed for the Health Exchange. That said, there are steps that can be taken right away to improve and preserve people's access to quality, affordable health care. The Affordable Health Care for America Act includes many provisions that go into effect quickly to help people until reform is fully realized.

KEEPING AMERICA HEALTHY: IMMEDIATE STEPS TO PROMOTE WELLNESS AND PREVENTION

- **Indian Health.** Modernizes the Indian health care delivery system by reauthorizing the Indian Health Care Improvement Act.
- **Community Health Centers.** Increases funding for CHCs that would allow for a doubling of the number of patients seen by the centers, effective upon enactment.
- **Prevention.** Eliminates cost sharing for additional preventive benefits in Medicare in 2010 and requires State Medicaid programs to cover recommended preventive services without cost-sharing. Establishes upon enactment state grant program to provide prevention and wellness services to communities, with a special emphasis on targeting health disparities.
- **Workforce Improvements.** Provides immediate new and increased investments in training programs designed to increase the number of primary care physicians, nurses, and public health professionals.
- **Public Health Infrastructure.** Provides new investments in state, local, and tribal health departments to build their capacity to address public health epidemics such as tobacco use and obesity, and to prepare for public health emergencies such as the H1N1 flu epidemic or breakouts of food-borne diseases.
- **Employer Wellness Programs.** Establishes a grant program for employers to promote healthy behaviors among their employees.

EXPANDING COVERAGE: HELP FOR VULNERABLE POPULATIONS

- **Immediate Help for the Uninsured (Interim High-Risk Pool).** Creates $5 billion fund, modeled after the President's plan, to finance an immediate, temporary insurance program for those who are uninsurable because of pre-existing conditions.
- **Continuity for Displaced Workers (COBRA extension).** Allows individuals to keep their COBRA coverage until the exchange is up and running and they have access to affordable coverage. *[NOTE: This is separate from the Recovery Act provisions that provide premium assistance for selected groups.]*
- **New Long-Term Care Program (CLASS Act).** Creates a new, voluntary, public long-term care insurance program to help purchase services and supports for people who have functional limitations. Benefits are a daily or weekly cash benefit to help people with functional limitations purchase the services and supports needed to maintain personal and financial independence.

CLASS would supplement, not supplant, traditional payors of long-term care (e.g. Medicaid and/or private long term care insurance).

- **Help for Early Retirees (Temporary Reinsurance Program).** Creates a $10 billion fund to finance a temporary reinsurance program to help offset the costs of expensive health claims for employers that provide health benefits for retirees age 55-64.
- **Limitation on Post-Retirement Reductions of Retiree Healthcare Benefits.** Prohibits employers from reducing retirees' health benefits after those retirees have retired, unless the reduction is also made to benefits for active participants.
- **Grants to States for Immediate Health Reform Initiatives.** Builds on an existing grant program to enhance incentives for states to move forward with a variety of health reform initiatives prior to 2013.
- **Additional Federal Funds to States with High Unemployment.** Assists States in maintaining access to Medicaid services while they recover from the recession by extending the current Recovery Act increase in federal Medicaid payments to states with high unemployment rates through June 30, 2011.

ACCOUNTABILITY AND OPTIONS: IMPROVING COVERAGE AND ENDING INSURANCE COMPANY ABUSE

- **New Limits on Pre-existing Condition Exclusions.** Reduces the window that plans can look back for pre-existing conditions from 6 months to 30 days and shortens the period that plans may exclude coverage of certain benefits. *[NOTE: Use of pre-existing condition exclusions is banned beginning in 2013.]*
- **Prohibiting Discrimination and Ensuring Coverage for Those in Need (Ending Rescissions).** Prohibits insurers from nullifying or rescinding a patient's policy in the non-group market when they file a claim for benefits, except in cases of fraud.
- **New Options for Family Coverage (Increase Dependent Age for Policies Through Age 26).** Allows those through age 26 to remain on family policies.
- **Ensuring Value (Medical Loss Ratio).** Requires health plans to spend a minimum of 85 percent of premium dollars on medical care or give enrollees premium rebates if they do not meet the minimum until the insurance reforms are implemented in 2013.
- **Immediate Sunshine on Price Gouging (Rate Review).** Discourages excessive price increases by insurance companies through review and disclosure of insurance rate increases.
- **Ban on Lifetime Limits.** Prohibits insurance companies from placing lifetime caps on coverage.
- **Ensuring Reconstructive Surgery for Children.** Requires plans to pay for reconstructive surgery for children with deformities.
- **Prohibiting Acts of Domestic Violence from being Treated as a Pre-existing Condition.** Prohibits insurers from limiting or denying coverage based on acts stemming from domestic violence.
- **Lower Administrative Costs and Paperwork Reduction (Administrative Simplification).** Requires the Secretary of HHS to adopt criteria to standardize and streamline transactions between insurers and providers such as claims submission and eligibility determination, building on efforts from the Health Insurance Portability and Accountability Act of 1996.
- **Transparency in Hospital Prices.** Discourages excessive price increases by hospitals by requiring disclosure to the public of information on hospital charges and quality.

STRENGTHENING MEDICARE: BETTER BENEFITS

- **Increasing Drug Coverage and Decreasing Beneficiary Cost-Sharing in Part D.** Reduces the "donut hole" in Part D immediately for all Medicare Part D enrollees by $500, and provides a 50 percent

discount on brand-name drugs purchased in the donut hole. The donut hole shrinks every year until it is eliminated in 2019. Reforms to the Part D low-income subsidy program will help more modest income Medicare beneficiaries qualify for assistance.

- **Secretary Negotiation of Drug Prices.** Secretary of HHS is required to negotiate drug prices on behalf of Medicare beneficiaries.
- **Promoting Wellness by Eliminating Cost-Sharing for Preventive Services.** Eliminates co-payments for preventive services and exempts preventive services from deductibles. Increases access to vaccines.
- **New Consumer Protections in Medicare Advantage.** Medicare Advantage plans may no longer charge enrollees higher cost-sharing for services in their private plan than in traditional Medicare. Establishes a medical loss ratio of 85 percent to ensure that premium dollars are focused on medical care.
- **Protecting Coverage for Medicare-Eligible Disabled Veterans.** Helps disabled veterans eligible for TRICARE for Life enroll in Medicare so that they can access the full range of federal benefits to which they are entitled.
- **Preventive Services at Federally Qualified Health Centers.** Increases Medicare reimbursements for preventive services furnished by federally qualified health centers.
- **Improving Financial Help for Low-Income Medicare Beneficiaries.** Improves the low-income protection programs in Medicare to assure more people are able to access this vital help.
- **Expanding Mental Health Coverage.** Adds marriage and family therapists and mental health counselors as Medicare providers so senior citizens will have better access to vitally needed mental health services.
- **Nursing Home Transparency**. Nursing home transparency provisions provide regulators and families additional information on nursing home ownership and control and more information on nursing home staffing and quality through Nursing Home Compare. Toughens penalties on nursing homes that fail to provide adequate care to their residents and improves training for nursing home staff to increase quality of care.

STRENGTHENING MEDICARE: PROMOTING PAYMENT AND DELIVERY SYSTEM REFORM

- **Payment and Delivery System Reform.** Increases Medicare payment rates to primary care practitioners in 2011. Initiates numerous new payment demonstrations and pilots to promote care coordination, primary care and accountability among providers. Creates a Center for Medicare & Medicaid Payment Innovation within CMS to test and expand additional new models of care delivery at higher quality and lower cost.
- **Reducing Potentially Preventable Hospital Readmissions.** Changes payment incentives to hospitals and post-acute care providers to discourage preventable hospital readmissions.
- **Post-Acute Care Bundling.** Promotes bundled payments that encourage providers to coordinate a patient's care across the entire spectrum, from the doctor's office, to the hospital, through a rehabilitative or nursing facility stay, and back to home.
- **Accountable Care Organization Program.** Establishes a new program that allows providers to share in any Medicare savings they help create through collaboration that leads to care coordination and quality improvement initiatives. Ensures that doctors can join with hospitals and others when forming these organizations. Creates an incentive in the SGR reform to encourage ACO formation.
- **Medical Home.** Promotes "medical homes" to reward providers who ensure full access to patients and provide coordinated and comprehensive care.
- **Healthcare Associated Infections.** Requires hospitals and ambulatory surgical centers to report information on healthcare-associated infections to the Centers for Disease Control and Prevention.

- **Graduate Medical Education.** Provides incentives for the training of primary care physicians. Encourages medical residency training in non-hospital settings so that the future physicians of America will be able to provide coordinated care across the spectrum of provider settings.
- **Productivity Investments.** Establishes "productivity" adjustments that embrace the President's recommendation to adjust payments so that providers are encouraged to increase productivity in how they deliver health care.
- **Cutting Waste, Fraud, and Abuse.** Provides $100 million annually in new funding to fight waste, fraud, and abuse; creates new program protections to allow CMS to screen providers and review payments to prevent fraud before it occurs; and increases penalties for individuals who defraud the Medicare and Medicaid programs.

STRENGTHENING MEDICAID: GREATER ACCESS AND VALUE

- **Improving Payment for Primary Care Services.** Increases Medicaid payment rates to physicians and other practitioners for primary care services to 100 percent of Medicare rates.
- **Promoting Wellness by Covering Preventive Services.** Requires State Medicaid programs to cover recommended preventive services without copayments.
- **Ensuring Value (Medical Loss Ratio).** Requires Medicaid managed care organizations to spend a minimum of 85 percent of their Medicaid premium dollars on the costs of medical care furnished to program beneficiaries.
- **Optional Coverage for HIV-positive Individuals.** Allows State Medicaid programs to cover low-income HIV-positive individuals with an enhanced federal matching rate.