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**DIVISION A AMERICA'S AFFORDABLE HEALTH CHOICES ACT**

**Title I Protections and Standards for Qualified Health Benefits Plans**

***Early Investments***

Provisions are included for early investments in health care, before the Exchange will be formed:

Health insurance issuers must meet a specified medical loss ratio beginning January 1, 2011. Prohibits insurance companies from rescinding coverage except in the case of fraud, effective October 1, 2010. The Secretary must adopt standards for typical transactions between insurers and providers for claims, eligibility, enrollment and prior authorization. Establishes a temporary reinsurance program for those retirees aged 55-64 and their families. Employment-based plans would have to apply to participate. It will reimburse 80% of benefits between \$15,000 and \$90,000. \$10 billion is appropriate for this.

**Title II Health Insurance Exchange and Related Provisions**

**Public plan option** is based on Medicare rates plus 5%.

**Title III Shared Responsibility**

**Employer contribution** to the Exchange in lieu of offering coverage is 8% of the average salary for the employer. There is a graduated exemption for small businesses, with a phase in of the tax for those with payroll between \$250,000 and \$400,000.

**Title VI Amendments to the Tax Code**

**Tax on individuals without acceptable coverage** is set at 2.5% on the modified adjusted gross income, with a hardship exemption.

Provides for an **excise tax** on an employer who fails to satisfy coverage participation requirements.

**Credit for small businesses** of 50% of the amount paid for coverage, phased out for those with between 10 and 25 employees and out with average wages between \$20,000 and \$40,000 per year.

### ***Revenue Raisers:***

Provides a surcharge on high income joint filers as follows to pay for health reform:

- 1% of modified adjusted gross income between \$350,000 and \$500,000
- 1.5% between \$500,000 and \$1,000,000
- 5.4% above \$1,000,000

For those married filing separately the figures are halved. For those filing as individuals, the tax is as follows:

- 1% between \$280,000 and \$400,000
- 1.5% between \$400,000 and \$800,000
- 5.4% above \$800,000

The lowest figures increase to 2% and 3% (from 1 and 1.5) after December 31, 2012 but can be adjusted based on the amount of savings generated from overall health reform.

## **DIVISION B MEDICARE AND MEDICAID IMPROVEMENTS**

### **Title IV Quality**

#### **Public Reporting on Health Care-Associated Infections**

#### ***Requirement for Public Reporting by Hospitals and Ambulatory Surgical Centers on Health Care-Associated Infections***

Hospitals and ambulatory surgical centers may participate in Title XVIII and XIX programs only if they report information on health care-associated infections that develop in the hospital or center. The reporting protocols will be established by the CDC. The transmission of information under this section will be coordinated with HIT systems established under the HITECH Act. The Secretary will establish procedures regarding the validity of reported information to ensure that it is appropriately compared across hospitals and centers; they will address failure to report as well as errors in reporting. Information reported under this section will be publicly available on the HHS website. Also, the Secretary is required to submit an annual report to Congress that summarizes the number and type of health care-associated infections reported, factors contributing to the occurrence of such infections, the number of certified infection control professionals on staff of hospitals and ambulatory surgical centers, the total increases or decreases in health care costs that resulted from the rates of occurrence of each type of infection, and recommendations for best practices in this area.

## **TITLE VII MEDICAID AND CHIP**

Physicians providing primary care services to Medicaid enrollees will receive 100% of Medicare rates for those services.



Sunsetts the option for states to provide coverage for HIV infected individuals (January 1, 2013).

Requires states to provide 12-month continuous eligibility for CHIP enrollees under 200% FPL effective January 1, 2010.

Adds waste, fraud and abuse provisions.

## **TITLE VIII: REVENUE-RELATED PROVISIONS**

### ***Disclosures to Facilitate Identification of Individuals Likely to be Ineligible for the Low-Income Assistance Under the Medicare Prescription Drug Program to Assist Social Security Administration's Outreach to Eligible Individuals***

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The Social Security Commissioner may make a written request for the following: return information for the applicable year with respect to wages and payments of retirement income, unearned income information and income information from partnerships, trusts, estates and subchapter S corporations, the filing status, number of dependents, income from farming and income from self-employment listed on the return, the social security number of the individual's spouse if the individual is married filing a separate return, the social security number, unearned income information and income information from partnerships, trusts, estates and subchapter S corporations of the individual's spouse on a joint return and other information that might make the individual ineligible for a low-income prescription drug subsidy. This information may be requested only for individuals that have been identified as likely to be eligible for a low-income prescription drug subsidy, and this information may only be used by the Social Security Administration to determine an individual's eligibility.

### ***Comparative Effectiveness Research Trust Fund; Financing for Trust Fund***

The Health Care Comparative Effectiveness Research Trust Fund (CERTF) is established within the Treasury. The following amounts will be appropriated to the Trust Fund:

- \$90 million for FY 2010;
- \$100 million for FY 2011;
- \$110 million for FY 2012; and
- Beginning in FY 2013, the amount equal to the net revenues received in the Treasury from fees on health insurance and self-insured plans for each fiscal year subject to the fair share per capita amount as determined by the Secretary multiplied by a formula that considers how many Medicare eligible individuals there are during a fiscal year.

Amounts in the CERTF are available without the need for further appropriations and without fiscal year limitation to the Secretary to carry out section 1181 of the SSA. The CER Commission will have \$7 million available in FY 2010, \$9 million in FY 2011, and \$10 million for each fiscal year beginning with 2012.

Fees are imposed on a specified health insurance policy for each policy year equal to the fair share per capita amount multiplied by the average number of lives covered under the policy; this



fee will be paid by the insurer of the policy. For self-insured health plans, a fee equal to the fair share per capita amount multiplied by the average number of lives covered under the plan will be imposed; the fee will be paid by the plan sponsor. Certain governmental programs will be exempt from this section, including Medicare, Medicaid, SCHIP, any program established by Federal law for providing medical care to members of the Armed Forces or veterans or any program for providing medical care to members of Indian tribes. The fees imposed under this subchapter will be treated as taxes.

### **Taxes on Certain Insurance Policies**

The amendments in this subsection will apply to policies issued by foreign insurers with respect to policies and plans beginning on or after October 1, 2012.

