

Issue	Patient Protection and Affordable Care Act (Public Law 111-148) Implementation of Health Care Reform Provisions Timeline	Effective Date
Immediately		
Medicare Drug Rebates	Medicare patients who face a gap in prescription drug coverage would receive a one-year, \$250 rebate to help pay for medication	Immediately (expires March 2011)
Tanning Salon Tax	A tax of 10% would be imposed on the cost of indoor tanning services	Immediately
Business Tax Credit	Small businesses with 25 or less employees and average annual wages of \$40,000 would receive tax credits to help provide insurance to employees. Tax credit would be up to 35% of employer's contribution if employer pays 50% of total premium cost.	2010 tax year (increasing up to 50% in 2014)
2010		
Temporary Reinsurance Program	\$5 billion temporary reinsurance program would be created for employers to provide health care coverage for retirees over the age of 55 who are not eligible for Medicare.	June 2010 (expires Jan. 1, 2014)
Temporary High-Risk Insurance Pool	\$5 billion temporary national high-risk insurance pool would be created to provide health care coverage to individuals with pre-existing conditions who have been uninsured for at least 6 months.	June 2010 (expires Jan. 1, 2014)
Pre-existing Conditions	Insurance companies would be barred from denying coverage to children who have pre-existing medical conditions	September 2010
Adult Dependent Children	Insurance companies would have to provide coverage for dependent children up to the age of 26	September 2010
Insurance Coverage Limits	Insurance plans would be prohibited from imposing lifetime caps on coverage and from denying coverage except in cases of fraud	September 2010
Preventive Services	Health insurance plans would be required to cover preventive services such as immunizations for children and cancer screenings for women	September 2010
Patient-Centered Outcomes Research Institute	Established to contract with federal agencies or the private sector for comparative effectiveness research	Fiscal Year 2010
2011		
Tax Changes on Health Care Savings Accounts	Federal taxes on individuals who spend money from health care savings accounts on ineligible medical expenses doubles to 20%	January 1, 2011

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Medicare "Doughnut Hole"	Drug companies would provide a 50% discount on brand name drugs for seniors who face a gap in drug coverage. More subsidies would be phased in through 2020, when the coverage gap would close.		January 1, 2011
Primary Care	Primary care doctors and general surgeons practicing in underserved areas would receive a 10% bonus Medicare payment over 5 years		January 1, 2011 (expires January 1, 2015)
Long-Term Care	A voluntary long-term care program called CLASS would be created. After at least 5 years of contributions, enrollees would be entitled to a \$50-a-day cash benefit to pay for long-term care		January 1, 2011
Insurance Rebates	Health insurance companies would be required to provide rebates to enrollees if they spend less than 80% on individual or small group plans and 85% for large group plans, of their premium dollars on health care as opposed to administrative costs		January 1, 2011
Physician Quality Reporting Initiative (PQRI) Bonuses	Effective 2011 - 2014 with 1% bonus in 2011 and 0.5% for the remaining years		January 1, 2011
Liability Reform	Authorizes grants to states for demonstration projects to evaluate alternative liability reform models. Authorized for 5 fiscal years		Fiscal Year 2011
Community Health Centers	Funding would increase to \$11 billion for community health centers that provide medical care to patients who can't afford it		October 1, 2011
2012			
New Annual Fee on Drug Makers	A total annual fee of \$2.8 billion would be imposed on pharmaceutical manufacturers. It would increase to \$3 billion in 2014-2016, \$4 billion in 2017, \$4.1 billion in 2018 and \$2.8 billion in 2019 and later.		January 1, 2012
Accountable Care Organizations	Allows providers organized as accountable care organizations (ACOs) to share in the cost savings achieved for Medicare as a means to encourage efficiencies and improve quality		January 1, 2012
Hospital Readmissions Penalty	Directs CMS to track hospital readmission rates for certain high-cost conditions and reduces Medicare payments for hospitals with the highest readmission rates		October 1, 2012
Value-Based Purchasing Program	Establishes a value-based purchasing program for acute care hospitals based on performance on quality measures		October 1, 2012
2013			

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Contribution limits on health care savings accounts	The limit on how much individuals can contribute to flexible savings accounts would be set at \$2,500		January 1, 2013
Physician Performance Reporting	Public reporting of physician performance information starts		January 1, 2013
Itemized Deductions for Unreimbursed Medical Expenses	The threshold for deducting such expenses would increase from 7.5% of adjusted gross income to 10%		January 1, 2013
Medicare Taxes	The Medicare tax rate would increase from 1.45% to 2.35% on earnings over \$200,000 for individuals and \$250,000 for families. Also, a 3.8% Medicare tax is imposed on unearned income.		January 1, 2013
Pilot Program on Payment Bundling	Establishes a Medicare pilot program on payment bundling for acute, inpatient hospital services, physician services, outpatient hospital services and post-acute care services.		January 1, 2013 (expand program, in appropriate, by January 1, 2016)
2014			
Individual Mandate	Most Americans will be required to buy health insurance or pay fines of \$95 per individual up to \$285 per family or 1% of taxable household income, whichever is greater. Increases to \$325/\$975 or 2% of taxable income in 2015 and \$695/\$2,085 or 2.5% of taxable income in 2016. Fee is adjusted for inflation after 2016.		January 1, 2014
Employer Requirement Penalty	Companies with 50 or more employees would pay a fine if any of their full-time employees qualified for federal health care subsidies		January 1, 2014
Medicaid Expansion	Increases the income eligibility to 133% of the federal poverty level, or \$29,327 for a family of four		January 1, 2014
Annual Caps	No annual limits on dollar value of coverage		January 1, 2014
Additional Insurance Market Reforms	Requires guarantee issue and renewability, limited rate variation, risk adjustment in the individual/small group markets, no pre-existing condition exclusions (adults), limits waiting periods to 90 days		January 1, 2014
Federal Subsidies	Federal subsidies, which vary based on household income, would help offset the cost of buying insurance, for Americans and legal residents that qualify		January 1, 2014

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Annual Fee on Insurance Companies	An annual fee totaling \$8 billion would be imposed on health insurance companies. The fee increases to \$11.3 billion in 2015-2016, \$13.9 billion in 2017 and \$14.3 billion in 2018. For years after, the fee will be based on the previous year and adjusted for the premium growth rate	January 1, 2014
Health Insurance Exchanges	A state-based health care exchange would be created. (marketplace where uninsured individuals and small businesses could comparison shop for insurance policies)	January 1, 2014
New Value-based Payment Modifier	Initial implementation of a value-based payment modifier to the Medicare Physician Fee Schedule based on relative quality compared to relative cost.	January 1, 2014 (applies to all physicians Jan. 1, 2017)
Premium and Cost-Sharing Subsidies	Provides subsidies for individuals and families earning up to 400% of the FPL to purchase health insurance	January 1, 2014
2015		
Independent Payment Advisory Board	First implementation year of IPAB Medicare cost reduction recommendations	January 1, 2015
PQRI Penalties	Effective beginning 2015 - 1.5%. 2016 and years after - 2%	January 1, 2015
2016		
Multi-State Compacts	Multi-state compacts allow insurers to sell policies across state lines. (regulations issued by July 1, 2013)	January 1, 2016
2018		
Excise Tax on High Cost Insurance Plans	A 40% excise tax would be imposed on health care plans that cost more than \$10,200 for individual coverage and \$27,500 for family coverage	January 1, 2018