2010

Hospital Payment Update

April 1- Hospital payment update reduced by 0.25 percent

Graduate Medical Education

July 1- Allows the counting of resident time in non-provider settings

Health Insurance Reforms

90 days- Temporary mechanisms to provide access to individuals with pre-existing conditions and for non-Medicare eligible retirees over 55 until new insurance exchange starts in 2014

6 months- Prohibits insurers from setting annual and lifetime limits; Dropping coverage, and excluding coverage to children based on pre-existing conditions; Allow parents to include dependent children up to age 26 on their health insurance; Free preventative care provided to new private plans

Physician Self-Referral

December 31- Eliminates the exception for physician-owned hospitals under Stark Law; grandfathers existing hospitals with Medicare provider number

2011

Hospital Payment Update

Hospital payment update reduced by 0.25 percent

Graduate Medical Education

65 percent of unused residency slots must be distributed by July 1, 2011

Primary Care Bonus Payments

Establishes a 10 percent bonus payment to primary care physicians and general surgeons (continue thru 2016)

Health Insurance Exchange

Requires states to establish health insurance exchanges through individuals and small businesses can purchase private health insurance coverage through: a Federal Employee Health Benefit Plan (FEHBP)-like, multi-state plan (oversight by OPM); a Consumer Operated and Oriented Plans (Co-OPS) to foster non-profits, member-run cooperatives

Geographic Variation

$400 million for payments to hospitals located in counties that rank in the lowest quartile for age, sex, and race adjusted per enrollee spending for Medicare Parts A and B (FYs 2011 and 2012)

Innovation Center

Creates a Center for Medicare and Medicaid Innovation (CMI) within CMS to test innovative payment and service delivery models (including HIZs) that improve quality and reduce expenditures

Revenue Provision

An assessment of $33 billion on brand-name pharmaceuticals

2012

Hospital Payment Update

Market basket reduced by an estimate of productivity, with added reductions of 0.1 percent (and 2013)
Accountable Care Organizations (ACOs)
   Allows hospitals, in cooperation with physicians, to provide leadership in voluntary
   ACOs, responsible for managing care of beneficiaries; Savings shared with providers

2013
Payment Bundling
   Establishes a national, voluntary, five-year pilot program on bundling payments to
   providers around 10 conditions; If successful maybe expanded after 2015

Readmissions
   Imposes financial penalties on hospitals for “excess” readmissions when compared to
   “expected” levels; Excludes critical access hospitals and post-acute care providers

Value-Based Purchasing (VBP)
   Establishes a VBP program for hospital payments based on hospitals’ performance in
   2012 on hospital quality reporting program measures; budget neutral- 1 percent of
   payments allocated to program (growing to 2 percent in 2017 and beyond)

Primary Care Physicians
   Requires states to increase Medicaid payment rates to primary care providers to
   Medicare payment rates, and provides 100 percent federal funding to states (and 2014)

Medical Device Tax
   Implements a 2.3 percent excise tax on medical device manufacturers

2014
Coverage Expansion
   All U.S. citizens and legal residents required to obtain coverage or face a tax penalty

Medicaid
   Requires all state Medicaid programs to cover individuals up to 133 percent of federal
   poverty level (FPL); 100 percent federal financing (thru 2017)

Medicare Disproportionate Share Hospital (DSH)
   Decreases Medicare DSH by $22.1 billion and reductions continue by 75 percent to
   eliminate DSH payments above “empirically justified” levels as determined by MedPAC;
   A portion of the 75 percent would be returned to hospitals depending on amount of
   uncompensated care provided; Amount subject to trigger, phased down as coverage
   increases

Medicaid DSH
   Decreases Medicaid DSH by $14 billion and reductions not directly tied to increased
   coverage; Directs Secretary to develop methodology for reducing federal DSH
   allotments to all states

Independent Payment Advisory Board
   Develop and submit to Congress advisory reports on matters related to the Medicare
   program and must submit proposal to the President each year thereafter; Providers
   including hospitals (not critical access) exempt from recommendations through 2019

Hospital Payment Update
   Market basket reduced by an estimate of productivity, with added reductions of 0.3
   percent

Health Insurance Reforms
   Prohibits health insurers to exclude coverage based on pre-existing conditions; Limits
   imposed on premium ratings; Guarantees coverage for anyone who seeks it
Revenue Provision
An assessment of $67 billion on health insurers

2015
Hospital Payment Update
Market basket reduced by an estimate of productivity, with added reductions of 0.2 percent (and 2016)
Hospital-Acquired Conditions (HACs)
Adds a 1 percent penalty to hospitals in top quartile of rates of HACs; reductions of $1.5 billion over 10 years

2017
Hospital Payment Update
Market basket reduced by an estimate of productivity, with added reductions of 0.75 percent (thru 2019)

2018
Excise Tax on High-Cost Health Plans
Imposes a 40 percent excise tax on high-end insurance policies

2019
Coverage Expansion
Expands access to coverage to 32 million individuals