



AMERICAN OSTEOPATHIC ASSOCIATION

HEALTH CARE REFORM

How the Patient Protection and Affordable Care Act (PPAC) Will Impact Your Practice and Your Patients

Issue	Effective Date(s)	Description of New Policy
Medicare Physician Payment		Congress will address the sustainable growth rate formula in separate legislation this summer. Currently, physician payments are frozen at 2009 levels through May 31.
Primary Care Bonus Payments	2011 - 2016	All primary care physicians will be eligible for a 10% bonus in Medicare payments. To qualify, at least 60% of the physicians total Medicare charges must be comprised of office, nursing home, and home care visits.
General Surgery Bonus Payments	2011 - 2016	General surgeons who perform major procedures in a health professional shortage area will be eligible for a 10% bonus payment for those services. Major procedure is defined as any service with a 10 or 90 day global payment.
Medicaid Payments	2013 - 2014	Raises Medicaid payments for evaluation and management (E&M) services to at least 100% of Medicare payment rates.
Geographic Payment Adjustments	2010	Establishes the "floor" on the work geographic practice cost index (GPCI) at 1.0 for all localities for 2010. Medicare will begin making a separate adjustment for the practice expense portion of physician payments in 2010 and 2011. Increases the practice expense GPCI adjustment for physicians in North Dakota, Montana, South Dakota, Utah and Wyoming to the national average beginning in 2011.
Medical Liability Reform	2011	The Secretary of Health and Human Services (HHS) is authorized to award five-year demonstration grants to states to develop, implement and evaluate alternative medical liability reform initiatives, such as health courts and early offer programs. Medical liability protections under the Federal Tort Claims Act (FTCA) are extended to officers, governing board members, employees, and contractors of free health clinics.
Community Health Centers	2011	Funding for Community Health Centers increases by \$11 billion to assist in providing care to uninsured and underinsured individuals.
Prevention and Wellness	2010	Medicaid will be required to cover tobacco cessation services for pregnant women beginning in 2010. Cost-sharing for preventive services is eliminated in Medicare and Medicaid programs beginning in 2011. Medicare payments for these preventive services will be increased to 100% of payment schedule rates.

		Health plans are required to provide a minimum level of coverage without cost-sharing for preventive services beginning in 2010.
Mental Health Incentive Payments	2010	Medicare will increase payments for psychotherapy services by 5%.
Administrative Simplification	2013 - 2016	National rules will be implemented to standardize and streamline health insurance claims processing requirements.
Insurance Reforms	2010	Insurers are prohibited from denying coverage to children who have pre-existing conditions. Insurers are prohibited from placing lifetime limits on how much they pay out to individual policyholders and from rescinding coverage except in the case of fraud. Adult dependent children up to the age of 26 are eligible for coverage under their parents or legal guardians' insurance policies.
Medicare Prescription Drug Coverage	2010	Medicare beneficiaries whose prescription expenses reach the so-called Medicare Part D coverage "doughnut hole" (\$2,700 to \$6,150) in 2010 will receive a \$250 rebate.
Coverage Mandates – Employers	2014	Employers with more than 50 employees, with a minimum of one full-time employee, which receives a premium tax credit, are required to offer health insurance coverage to their employees or face penalties. Employers with 50 employees or less are exempt from this requirement.
Coverage Mandate – Individuals	2014	Most individuals are required to either purchase health care coverage or demonstrate coverage through their employer or other program or face penalties.
Medicaid Expansion	2014	Low-income individuals under the age of 65 and at or below 133% of the federal poverty level (\$29,327 for family of four) are eligible for Medicaid coverage.

The Patient Protection and Affordable Care Act (PPAC) was enacted into law (Public Law 111-148) on March 23, 2010. It was approved by the United States Senate on December 24, 2009 and the House of Representatives on March 21, 2010.