

Health Care Reform Time Table

2010

Business tax credits: Businesses with no more than 25 employees and average annual wages of \$40,000 would get tax credits to help provide insurance to employees. The credit would be up to 35% in 2010 of the employer's contribution if the employer pays 50% of the total premium cost. *Effective date* — 2010 tax year, with the tax credit increasing to up to 50% in 2014

Temporary reinsurance program: A \$5 billion program would be created for employers to provide coverage for retirees over the age of 55 who are not eligible for Medicare. *Effective date* — June 2010 (expires Jan. 1, 2014)

Tanning salon tax: A tax of 10% would be imposed on the cost of indoor tanning services. *Effective date* — Immediately

2010

Temporary high-risk insurance pool: A \$5 billion pool would be created to provide health to individuals with pre-existing medical conditions who have been uninsured for at least six months.

Effective date — June 2010 (expires Jan. 1, 2014)

Pre-existing conditions: Insurers would be barred from denying coverage to children who have pre-existing medical conditions.

Effective date — Six months after enactment

Adult dependent children: Insurance companies would have to provide coverage for dependent children up to the age of 26.

Effective date — Six months after enactment

2010

Insurance coverage limits: Insurance plans would be prohibited from placing lifetime limits on how much they pay out to individual policyholders and from rescinding coverage except in cases of fraud. *Effective date* — Six months after enactment

Preventive services: Health insurance plans would be required to cover preventive services such as immunizations for children and cancer screenings for women. *Effective date* — Six months after enactment

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. *Effective date* — Immediately

2011

Tax changes on health care savings accounts: The federal tax on individuals who spend money from health-care savings accounts on ineligible medical expenses would double to 20%.
Effective date — Jan. 1, 2011

Community health centers: Funding would increase by \$11 billion for community health centers that provide medical care to patients who can't afford it. *Effective date* — Oct. 1, 2011

Medicare "doughnut hole": Drug companies would provide a 50% discount on brand name prescription drugs for seniors who face a gap in drug coverage. More subsidies would be phased in through 2020, when the coverage gap would be closed. *Effective date* — Jan. 1, 2011

2011

Primary care: Primary care doctors and general surgeons practicing in areas that lack primary care doctors would receive a 10% bonus payment under Medicare. *Effective date* — Jan. 1, 2011 through 2015

Long-term care: A voluntary long-term care program called CLASS would be created. After at least five years of contributions, enrollees would be entitled to a \$50-a-day cash benefit to pay for long-term care. *Effective date* — Jan. 1, 2011

2011

New annual fees on drugmakers: A total annual fee of \$2.5 billion would be imposed on pharmaceutical manufacturers. *Effective date* — Jan. 1, 2011

Insurance rebates: Health insurance companies would be required to provide rebates to enrollees if they spend less than 85% of their premium dollars on health care as opposed to administrative costs. *Effective date* — Jan. 1, 2011

2012-13

Annual fees on drugmakers: The annual fee on pharmaceutical manufacturers would increase to \$3 billion each year through 2016. *Effective date* — Jan. 1, 2012

Contribution limits on health care savings accounts: The limit on how much individuals could contribute to flexible savings accounts that let people set aside money tax free for health costs would be set at \$2,500. Currently, employers set the limit. *Effective date* — Jan. 1, 2013

2012-13

Itemized deductions for unreimbursed medical expenses: The threshold for deducting such expenses would increase from 7.5% of adjusted gross income to 10%. *Effective date* — Jan. 1, 2013

Medicare taxes: The Medicare tax rate would increase by 0.9 percentage points -- from 1.45% to 2.35% -- on earnings over \$200,000 for individuals and \$250,000 for families. Also, for the first time, a 3.8% Medicare tax would be imposed on investment income. *Effective date* — Jan. 1, 2013

2014

Individual mandate: Most Americans would 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.

Effective date — Jan. 1, 2014

Employer requirements: Companies with 50 or more employees would pay a fine if any of their full-time workers qualified for federal health care subsidies. *Effective date* — Jan. 1, 2014

2014

Medicaid expansion: The program for low-income Americans under the age of 65 would expand by increasing the income eligibility to 133% of federal poverty, or \$29,327 for a family of four. *Effective date* — Jan. 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 who qualify. *Effective date* — Jan. 1, 2014

2014

Annual fee on insurance companies: An annual fee totaling \$8 billion would be imposed on health insurance companies. *Effective date* — Jan. 1, 2014

Health insurance exchanges: A state-based health care exchange -- a marketplace where uninsured individuals and small businesses could comparison shop for insurance policies -- would be created. *Effective date* — Jan. 1, 2014

2015-16

Individual mandate: Penalties for not carrying insurance would increase to \$325 for each family member up to \$975 per family or 2% of taxable household income, whichever is greater. *Effective date* — Jan. 1, 2015

Annual fee on insurance companies: The annual fee on health insurance companies would increase to \$11.3 billion. *Effective date* — Jan. 1, 2015

Individual mandate: Penalties for not carrying insurance would increase to \$695 for each family member up to \$2,085 per family or 2.5% of taxable household income, whichever is greater. *Effective date* — Jan. 1, 2016 (Adjusted for inflation after 2016).

2017-18

Annual fees on drugmakers: The annual fee on pharmaceutical manufacturers would increase to \$3.5 billion in 2017 and \$4.2 billion in 2018. *Effective date* — Jan. 1

Annual fee on insurance companies: The annual fee on health insurance companies would increase to \$13.9 billion in 2017 and \$14.3 billion in 2018. *Effective date* — Jan. 1, 2017

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. *Effective date* — Jan. 1, 2018