Update on Implementation of the Affordable Care Act

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The Affordable Care Act

• On March 23, 2010, President Obama signed the Affordable Care Act.

• The law puts in place comprehensive health insurance reforms that will roll out over four years and beyond, with most changes taking place by 2014.
Implementing the ACA
Going Forward, What’s the Timetable for Implementation
2012: Accountable Care Organizations

• Effective January 1, 2012
• The new law provides incentives for physicians to join together to form “Accountable Care Organizations.”
• In these groups, doctors can better coordinate patient care and improve the quality, help prevent disease and illness, and reduce unnecessary hospital admissions.
2012: Electronic Exchange of Health Information

- First regulation effective October 1, 2012
- The new law institutes a series of changes to standardize billing and requires health plans to begin adopting and implementing rules for the secure, confidential, electronic exchange of health information.
Preventive Health Care
2013: Bundling Payments

- Effective January 1, 2013.
- The law establishes a national pilot program to encourage hospitals, doctors, and other providers to work together to improve the coordination and quality of patient care.
2013: Additional Funding for CHIP

• Effective October 1, 2013
• Under the new law, states will receive two more years (through 2015) of funding to continue coverage for children not eligible for Medicaid.
2013: Financial Disclosure

• Report to Congress due April 1, 2013
• Requires disclosure of financial relationships (Sunshine Act) between health entities, including physicians, hospitals, pharmacists, other providers, and manufacturers and distributors of covered drugs, devices, biologicals, and medical supplies.
2014: Health Insurance Exchanges

• Effective January 1, 2014
• Starting in 2014, if your employer doesn’t offer insurance, you will be able to buy it directly in an Affordable Insurance Exchange.
• Exchanges will offer you a choice of health plans that meet certain benefits and cost standards.
Essential Health Benefits

- Maternity Care
- Hospitalization
- Rehabilitative & Habilitative Services
- Laboratory Services
- Pediatric Services
- Prescription Drugs
- Mental & Behavioral Health Treatment
- Ambulatory Patient Services
- Preventive & Wellness Services
- Emergency Services
2014: Essential Health Benefits

• Essential Health Benefits (EHB) is a package of benefits that all health plans must cover.

• All new health plans in the individual and small group markets (beginning in 2014) must include this coverage, this includes plans both inside and outside the Exchanges.

• The ACA lists ten (10) broad categories of which includes pediatric dental.
2014: Essential Health Benefits

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management, and
- **Pediatric services**, including **oral** and vision care
Pediatric Dental
2014: Essential Health Benefits

• All benchmark plans must include pediatric dental service.

• Families are not required to purchase pediatric dental service when offered separately in the Marketplace.

• The statute treats pediatric dental differently, it depends on the issuer.
The Individual Mandate

How Many are Affected Per Year by the Individual Mandate?

- 32 million previously uninsured affected by the mandate
- 24 million qualify for exemptions from the mandate
- 219 million insured by employer coverage, Medicaid, Medicare’s disability coverage, or individual insurance and not affected by the mandate

Projected Non-Elderly in 2016 = 275 million
2014: The Individual Mandate

• Effective January 1, 2014
• Most individuals who can afford it will be required to obtain basic health insurance coverage or pay a fee to help offset the costs of caring for uninsured Americans.
• If affordable coverage is not available to an individual, he or she will be eligible for an exemption.
2014: Freedom of Choice

• Effective January 1, 2014
• Workers meeting certain requirements who cannot afford the coverage provided by their employer may take whatever funds their employer might have contributed to their insurance and use these resources to help purchase a more affordable plan in the new Affordable Insurance Exchanges.
• These new competitive marketplaces will allow individuals and small businesses to buy qualified health benefit plans.
2014: Most Access to Medicaid

• Effective January 1, 2014
• Americans who earn less than 133% of the poverty level (approximately $14,000 for an individual and $29,000 for a family of four) will be eligible to enroll in Medicaid.
• States will receive 100% federal funding for the first three (3) years to support this expanded coverage, phasing to 90% federal funding in subsequent years.
2014: Tax Credits

• Effective January 1, 2014
• Tax credits to help the middle class afford insurance will become available for those with income between 100% and 400% of the poverty line who are not eligible for other affordable coverage.
• The tax credit is advanceable, so it can lower premium payments each month, rather than making you wait for tax time.
2014: No Annual Dollar Amount Limit on Coverage

- Effective January 1, 2014
- The law prohibits new plans and existing group plans from imposing annual dollar limits on the amount of coverage an individual may receive.
Pre-existing Conditions
2014: No Denial of Coverage Due to Pre-Existing Conditions

- Effective January 1, 2014
- The law implements strong reforms that prohibit insurance companies from refusing to sell coverage or renew policies because of an individual’s pre-existing conditions.
Dental Education
Impact of the ACA on Dental Education

- All children will have dental coverage.
- Many more adults will have limited dental benefits through Medicaid/private insurance.
- Improvement in awareness about oral health prevention.
- Improved states’ oral health infrastructure.
- Increased support for dental workforce, especially primary care providers.
- Comprehensive and integrated oral health surveillance.
Impact of the ACA on Dental Education

• More emphasis on Interprofessional Education.
• More patient health and record coordination through IT.
• More emphasis on delivery of care through a health home.
• More emphasis on new oral health care providers.
“There is absolutely zero chance that Obamacare will be repealed while Democrats control the Senate and President Obama is in the White House.”

~Juan Williams~
Thank You
Appendix

Summary of the
AFFORDABLE CARE ACT TIMETABLE
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<thead>
<tr>
<th>Date</th>
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</tr>
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<tbody>
<tr>
<td>January 1, 2012</td>
<td>Encouraging Integrated Health Systems</td>
<td>• The new law provides incentives for physicians to join together to form “Accountable Care Organizations.”</td>
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<td>October 1, 2012</td>
<td>Electronic Exchange of Health Information</td>
<td>• The new law institutes a series of changes to standardize billing and requires health plans to begin adopting and implementing rules for the secure, confidential, electronic exchange of health information.</td>
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<td>October 1, 2012</td>
<td>Linking Payment to Quality Outcomes</td>
<td>• The law establishes a hospital Value-Based Purchasing program (VBP) in Original Medicare.</td>
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<td>January 1, 2013</td>
<td>Improving Preventative Healthcare</td>
<td>• To expand the number of Americans receiving preventive care, the law provides new funding to state Medicaid programs that choose to cover preventive services for patients at little or no cost.</td>
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<td>January 1, 2013</td>
<td><em>Increasing Medicaid Payments for Primary Care Doctors</em></td>
<td>• The Act requires states to pay primary care physicians no less than 100% of Medicare payment rates in 2013 and 2014 for primary care services. The increase is fully funded by the federal government.</td>
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<td>January 1, 2013</td>
<td><em>Expanded Authority to Bundle Payments</em></td>
<td>• The law establishes a national pilot program to encourage hospitals, doctors, and other providers to work together to improve the coordination and quality of patient care.</td>
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<td>October 1, 2013</td>
<td><em>Additional Funding for the Children's Health Insurance Program (CHIP)</em></td>
<td>• Under the new law, states will receive two more years (through 2015) of funding to continue coverage for children not eligible for Medicaid.</td>
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<td>April 1, 2013</td>
<td><em>Financial Disclosure</em></td>
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<td><strong>Tax on Medical Devices</strong></td>
<td>• Proposed rule from the Internal Revenue Service that provides &quot;guidance on the excise tax imposed on the sale of certain medical devices under section 4191 of the Internal Revenue Code, enacted by the Health Care and Education Reconciliation Act of 2010 in conjunction with the Patient Protection and Affordable Care Act.</td>
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<td>January 1, 2014</td>
<td><strong>Establishing Affordable Insurance Exchanges</strong></td>
<td>• Starting in 2014 if your employer doesn’t offer insurance, you will be able to buy it directly in an Affordable Insurance Exchange. Exchanges will offer you a choice of health plans that meet certain benefits and cost standards.</td>
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<td><strong>Individual Mandate</strong></td>
<td>Under the new law, most individuals who can afford it will be required to obtain basic health insurance coverage or pay a fee to help offset the costs of caring for uninsured Americans. If affordable care is not available to an individual, he or she will be eligible for an exemption.</td>
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<td><strong>Insuring Free Choice</strong></td>
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<td><em>Ensuring Coverage for Individuals Who Participate in Clinical Trials</em></td>
<td>• Insurers will be prohibited from dropping or limiting coverage because an individual chooses to participate in a clinical trial.</td>
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<td>January 1, 2014</td>
<td><em>Eliminating Annual Limits on Insurance Coverage</em></td>
<td>• The law prohibits new plans and existing group plans from imposing annual dollar limits on the amount of coverage an individual may receive.</td>
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<td>January 1, 2014</td>
<td>No Discrimination Due to Pre-existing Conditions</td>
<td>• The law implements strong reforms that prohibit insurance companies from refusing to sell coverage or renew policies because of an individual’s pre-existing conditions.</td>
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<td>January 1, 2014</td>
<td>Increasing Small Business Health Insurance Tax Credit</td>
<td>• The law implements the second phase of the small business tax credit for qualified small businesses and small non-profit organizations. In this phase, the credit is up to 50% of the employer's contribution to provide health insurance for employees. There is also up to a 35% credit for small non-profit organizations.</td>
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<td>January 1, 2015</td>
<td>Paying Physicians Based on Value Not Volume</td>
<td>• A new provision will tie physician payments to the quality of care they provide. Physicians will see their payments modified so that those who provide higher value care will receive higher payments than those who provide lower quality care.</td>
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<td><em>Increased Federal Match for CHIP</em></td>
<td>• Provides for a 23 percentage point increase in the Children’s Health Insurance Program (CHIP) match rate up to a cap of 100%.</td>
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<td>January 1, 2016</td>
<td><em>Health Care Choice Compacts</em></td>
<td>• Permits states to form health care choice compacts and allows insurers to sell policies in any state participating in the compact.</td>
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<td>January 1, 2018</td>
<td><em>Tax on High-Cost Insurance</em></td>
<td>• Imposes an excise tax on insurers of employer-sponsored health plans with aggregate expenses that exceed $10,200 for individual coverage and $27,500 for family coverage.</td>
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