

Health care reform: What's changing and when

Federal health care reform legislation passed in 2010 ensuring an important expansion of benefits for all Americans. Health care costs continue to grow at an alarming pace however and stemming this growth has become a major policy priority as government, employers and consumers increasingly struggle to keep up. Health insurers like Regence BlueCross BlueShield of Utah play an important role in addressing medical costs. We are committed to working with lawmakers, community leaders and others to develop sustainable solutions to help make health care more affordable for our members and their families.

About the law

The Patient Protection and Affordable Care Act (PPACA) was signed into law by President Obama on March 23, 2010. The law's many provisions are scheduled to be phased in over several years although implementation could be hampered by the changing political landscape and legal challenges to the law's constitutionality.

What happened in 2010 & 2011?

Many of the provisions that went into effect immediately following the law's passage focused on new consumer protections and expanded benefits. Major provisions in 2011 included funding to help states develop health insurance exchanges, federal rate review for some premium rate requests, and federal standards on the percentage of premium that must be used to pay for health care.

What happens in 2012?

Here is an overview of some of the PPACA provisions that will become effective in 2012.

- **Accountable care organizations.** Doctors and hospitals that work together to coordinate and manage care for Medicare beneficiaries, and meet quality performance standards as defined by the U.S. Department of Health and Human Services (HHS), may share the cost savings they achieve for the Medicare program. *Effective January 1, 2012*
- **Annual fees on the pharmaceutical industry.** Requires branded prescription drug manufacturers to pay a new annual fee based on their share of the preceding calendar year's total branded prescription drug market sales. *Effective January 1, 2012*
- **Fraud and abuse prevention.** Procedures for screening, oversight and reporting for medical providers and suppliers that participate in Medicare, Medicaid and the Children's Health Insurance Program (CHIP). Significantly enhances the government's enforcement authority and establishes new and increased penalties. *Effective January 1, 2012*
- **Medicare Advantage plan payments.** Reduces rebates paid to Medicare Advantage plans and provides bonus payments to high-quality plans. *Effective January 1, 2012*
- **Data collection.** Requires all current or new federal health programs to collect and report data on race, ethnicity, sex, primary language, and disability status to HHS. *Effective March 23, 2012*
- **Summary of benefits and coverage explanation.** Requires group health plans and health insurers to provide applicants and members with a uniform summary explanation of benefits and coverage. *Effective March, 23, 2012.*
- **Full coverage for birth control required.** Health insurers must offer women birth control and other preventive health care services at no additional cost. *Effective August 1, 2012*
- **Patient-Centered Outcomes Research Trust Fund fees.** Health insurers and sponsors of self-funded group health plans will be assessed an annual fee to fund the Patient-Centered Outcomes Research Institute. The Fund supports comparative clinical effectiveness research activities. *Effective September 30, 2012*
- **Reduced Medicare payments for hospital readmissions.** Hospitals with high readmission rates will incur payment penalties. *Effective October 1, 2012*

Frequently Asked Questions

Will health reform lower premiums?

The additional benefits and protections provided by the law have some associated costs. The impact varies by type of health plan and family status. The bigger issue remains the cost and use of medical care. While the law includes several changes to the way premiums are regulated, it does very little to address the underlying factors that cause premium increases. Regence BlueCross BlueShield of Utah is committed to working with lawmakers, community leaders, health care providers and others to develop sustainable solutions to help make health care more affordable for our members and their families.

Is it true that everyone has to buy health insurance?

Not until 2014. Then, all Americans will be required for the first time to obtain insurance or face an annual penalty. However, the constitutionality of the “coverage mandate” is being challenged in dozens of states and is expected to ultimately be decided by the Supreme Court, perhaps as soon as 2012.

Will employers be required to purchase coverage for their employees?

The federal health care reform law does not require businesses to provide health benefits to their workers, but larger employers face penalties starting in 2014 if they don't make affordable coverage available.

About Regence BlueCross BlueShield of Utah

- Regence BlueCross BlueShield of Utah is a leading nonprofit health plan offering health, life and dental insurance to more than 330,000 members statewide.
- We employ nearly 600 state residents.
- More than 10,000 physicians and other health care professionals and more than 500 facilities contract with Regence BlueCross BlueShield of Utah to provide service to our members.
- Our community board includes business leaders, medical professionals and consumer representatives.
- Regence BlueCross BlueShield of Utah is part of The Regence Group, an affiliation of nonprofit Blue Plans in four states.

For more information, visit www.regence.com.