



Timeline for Health Care Reform

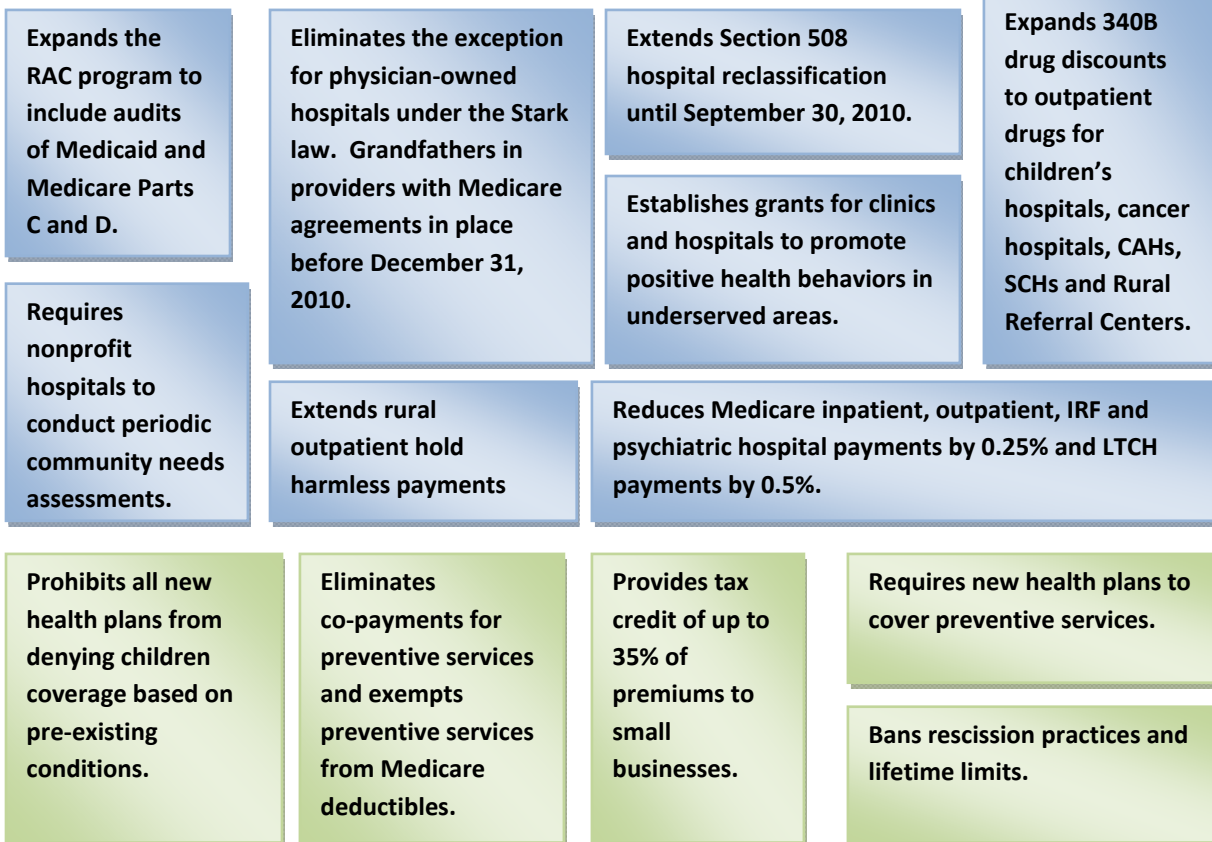
Patient Protection and Affordable Care Act (H.R. 3590)

March 24, 2010

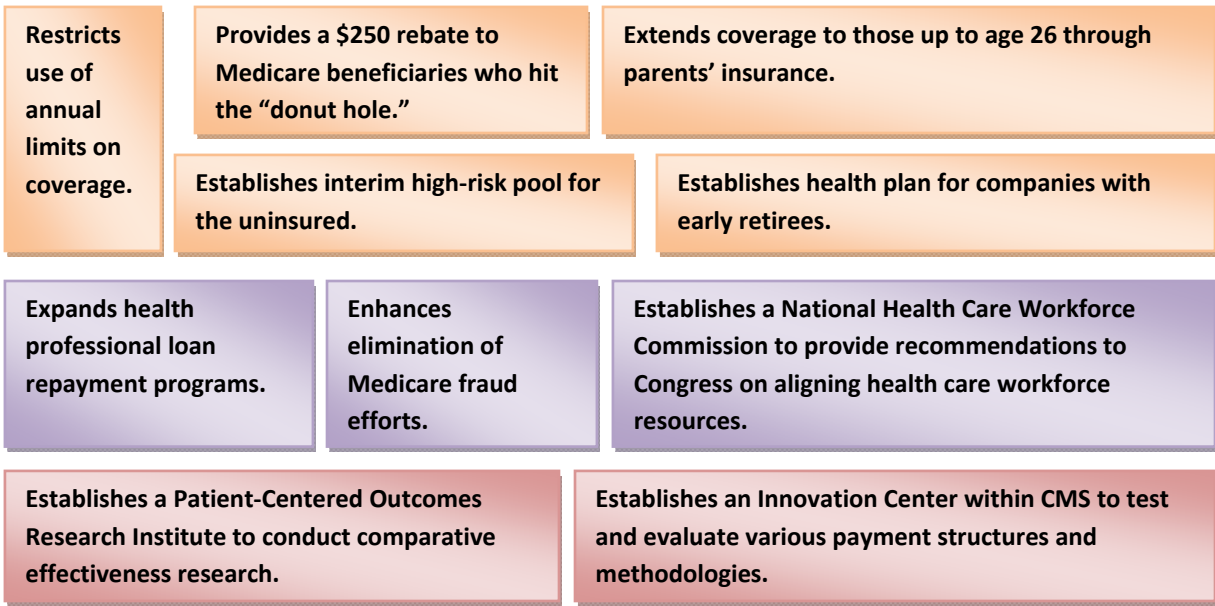
The components of health care reform are inter-related and will present numerous opportunities and challenges for hospitals and their patients. While many of the details are yet to be determined, and will be forthcoming through regulatory guidance and rule making, the chart below offers an "at-a-glance" timeline for programs and policies important to hospitals and health systems. CHA will continue to update hospital members as more information becomes available.

Color Code: Hospitals Insurance Coverage Other/Workforce Delivery System

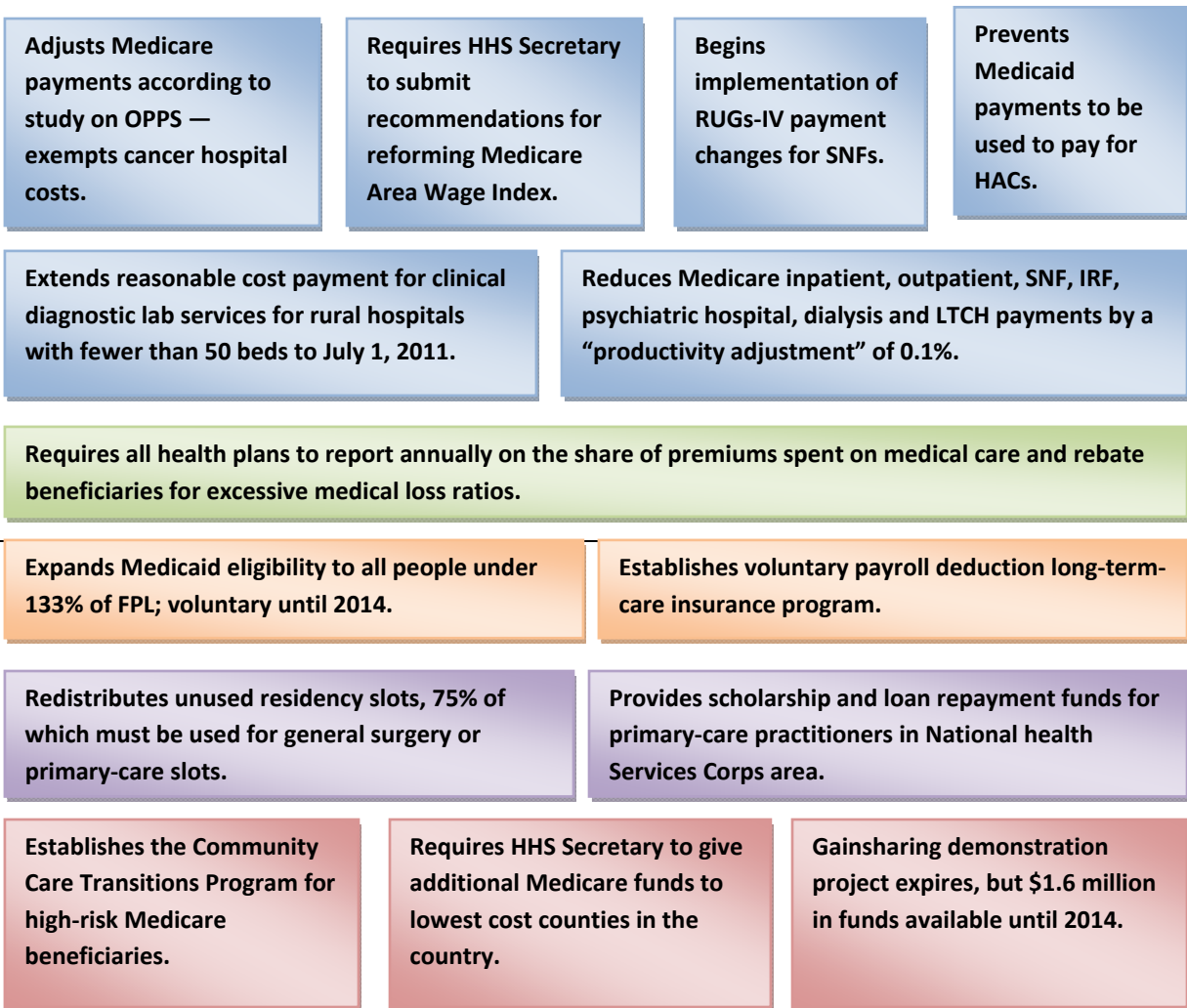
2010



Timeline for Health Care Reform



2011



Timeline for Health Care Reform

2012

Reduces Medicare inpatient, outpatient, SNF, IRF, psychiatric hospital, dialysis and LTCH payments by a “productivity adjustment” of 0.1%.	Requires HHS Secretary to implement a “national quality assurance and performance improvement program” for SNFs and home health.	Extends FLEX programs through 2012.	
Extends Medicare Dependent Hospital classification through September 30, 2012.			
Increases funds for nursing and allied health professionals’ loan repayment programs.			
Reduces payments for hospitals with “higher-than-expected” readmissions rates for specific conditions; maximum reduction is 1%.	Establishes a Medicare VBP program that adjusts 1% of payment according to data collection and reporting on five medical conditions.	Begins voluntary ACO payment program.	Requires HHS Secretary to give additional Medicare funds to lowest-cost counties in the country.

2013

Reduces Medicare inpatient, outpatient, SNF, IRF, psychiatric hospital, dialysis and LTCH payments by a “productivity adjustment” of 0.3%.	Establishes quality and efficiency measures for PPS-exempt cancer hospitals to report. Noncompliance results in a reduction in the market basket update.	Establishes a pay-for-reporting program for freestanding and unit-based inpatient psychiatric hospitals.	Establishes a pay-for-reporting program for IRFs, LTCHS, hospices and psychiatric hospitals. Noncompliance results in a 2% reduction to market basket updates.
Begins Nonprofit Consumer Operated and Oriented Plans (CO-OPs).			
Establishes a 2.9% excise tax on medical devices.			
Simplifies administrative burdens by standardizing electronic exchange of health information.	Begins voluntary bundled payment pilot program. Includes payment for 10 conditions.	Expands Medicare VBP program to include more conditions and efficiency measures, including spending per beneficiary. Adjusts payments by 1.25%. Includes an appeals process.	

Timeline for Health Care Reform

2014

Reduces inpatient, outpatient, IRF, LTCH and psychiatric hospital payments by 0.2%	Begins reduction in Medicare DSH payments. Reductions are tied to coverage	Begins reduction in Medicaid DSH payments. Reductions are not directly triggered by coverage targets.	
Begins Health Benefits Exchanges.	Bans coverage refusal based on pre-existing conditions for all people, and bans lifetime and annual limits.		
Requires states to cover all former foster children up to age 26 through Medicaid.	Provides tax credit up to 50% of premiums to small businesses.	Provides 100% federal funding for costs associated for Medicaid “newly eligibles” through 2016.	Begins individual mandate for health insurance.
Grants for clinics and hospitals to promote positive health behaviors in underserved areas expire.			
Expands readmission policy to include more conditions. Maximum reduction in payments to hospitals with higher-than-expected readmissions rate increases to 3%.	Requires all eligible professionals to participate in the Physician Quality Reporting Initiative. Provides a 0.5% bonus to those reporting properly, and deducts funds from those that use substantially more resources than their peers.	Allows Medicare VBP program to adjust payments by 1.5%.	Provides hospitals in the top 25 th percentile of certain HAC rates with a 1% payment reduction.

2015

Reduces Medicare inpatient, outpatient, IRF, LTCH and psychiatric hospital payments by 0.2%.	Extends Rural Community Hospital Demonstration Project through 2015.
Provides 100% federal funding for costs associated for Medicaid “newly eligibles” through 2016.	
Establishes Independent Payment Advisory Board to submit recommendations to Congress on reducing Medicare spending. Hospitals receiving productivity adjustments are exempt from board proposals through 2019. CAHs are not exempt.	
Allows Medicare VBP program to adjust payments by 1.75%.	Expands bundled payment program according to HHS Secretary’s plan.

Timeline for Health Care Reform

2016

Reduces Medicare inpatient, outpatient, IRF, LTCH and psychiatric hospital payments by 0.75%.

Provides 100% federal funding for costs associated for Medicaid “newly eligibles” through 2016.

Provides states with an FMAP increase of 23% to accommodate transition from CHIP to the exchanges. Increase occurs through 2019.

Allows Medicare VBP program to adjust payments by 1.75%.

2017

Reduces Medicare inpatient, outpatient, IRF, LTCH and psychiatric hospital payments by 0.75%.

Allows employers with more than 100 employees to enter the exchanges at the discretion of the state.

Reduces federal funding for costs associated with Medicaid “newly eligibles” to 95 percent of costs.

Allows HHS Secretary to expand VBP pilot program for IRFs, LTCHs, psychiatric hospitals, PPS-exempt hospitals and hospices.

2018

Reduces Medicare inpatient, outpatient, IRF, LTCH and psychiatric hospital payments by .075%.

Reduces federal funding for costs associated with Medicaid “newly eligibles” to 94%.

2019

Reduces Medicare inpatient, outpatient, IRF, LTCH and psychiatric hospital payments by 0.75%.

Reduces federal funding for costs associated for “newly eligibles” in Medicaid to 90%.

Note: Unless otherwise noted dates are for the calendar year. For example, federal fiscal year 2012 begins October 1, 2011.

Timeline for Health Care Reform

Glossary

CAH — Critical Access Hospital

CMS — Centers for Medicare & Medicaid Services

DSH — Disproportionate-Share Hospital

FMAP — Federal Medical Assistance Percentages

FPL — Federal Poverty Level

HAC — Healthcare-Acquired Condition

IRF — Inpatient Rehabilitation Facility

LTCH — Long-Term-Care Hospital

PPS — Prospective Payment System

RAC — Recovery Audit Contractor

SCP — Sole Community Hospital

VBP — Value-Based Purchasing