



Federal Health Reform Implementation - Year by Year Timeline

Please note: This analysis was completed on April 1, 2010. We expect to update this as we receive more information.

Please visit our website at www.oregon.gov/oha for future updates.

2010

- Within 90 days of enactment:
 - \$5 billion in federal funding appropriated to **high-risk pools** to provide health insurance for individuals who have been denied coverage.
 - A federal **temporary re-insurance program** will be established. Re-insurance is the purchase of insurance on insurance, which makes it easier for employers to provide coverage for higher-risk employees and retirees. This program will reimburse employers 80% of the cost of claims for retirees aged 55-64 in employment-based health plans. States and local governments will be eligible to receive the reimbursement.
- Federal government begins creating standards for **state-based health insurance exchanges for individuals and small business** with fewer than 100 employees. Grants may be awarded to states between 2010-2014 for planning and implementation of health insurance exchanges. An exchange is a government regulated marketplace where consumers would be able to shop for insurance, compare benefits and prices, and choose a plan that best suits their needs.
- Federal and state governments will **review premium increases to ensure they are not unreasonable**. Grants will be awarded to states to assist with review of premiums.
- Within 6 months, **new federal insurance rules** take effect, including:
 - (1) there will be no lifetime limits on benefits;
 - (2) annual limits on benefits will be restricted;
 - (3) insurers cannot cancel coverage except for fraud;
 - (4) certain preventive services and immunizations must be covered;
 - (5) unmarried children can remain on a parent's health plan until age 26; and
 - (6) a new federal subsidy goes into effect for small businesses that provide health insurance.
- **Medicare benefits:**
 - *Payments adjusted (details pending).*
 - A **\$250 rebate** will be available for the 4 million individuals who are in the Medicare drug coverage gap area and pay for drugs out of pocket.
 - **Preventive care, such as cancer screening, will be free of co-payments and deductibles.**
- States may expand Medicaid to individuals up to 133% of Federal Poverty Level (FPL).

2011	<ul style="list-style-type: none"> • Medicaid: <ul style="list-style-type: none"> • Beginning October 1, a new state Medicaid option supported by federal funding will be created for individuals with disabilities to receive home and community-based services. • Federal funding may be increased for state Medicaid programs that cover certain evidence-based preventive services. • Medicare: <ul style="list-style-type: none"> • Certain Medicare Advantage benefits, such as free eye-glasses, will be reduced. • Out-of-pocket expenses for brand-named drugs will be reduced by 50%. • Insurers will be required to spend 80-85% of their revenue from premiums on medical claims.
2013	<ul style="list-style-type: none"> • States will be eligible for an additional 23 percentage-point increase in the Children’s Health Insurance Program (CHIP) matching funds. • Medicare payroll tax increase goes into effect for individuals earning over \$200,000 and couples earning over \$250,000. • A new tax goes into effect on unearned income, such as dividends and interest, over a certain amount.
2014	<ul style="list-style-type: none"> • All individuals will be required to carry insurance or pay a penalty. • Individuals up earning up to 400% FPL will receive a sliding-scale subsidy that will cap premiums and out-of-pocket expenses. • Individuals up to 400% FPL will receive a tax credit to assist in paying health insurance premiums. • Employers with more than 50 employees must offer health insurance or pay a fee if any of their employees receives a premium tax credit to purchase health insurance. • Insurers: <ul style="list-style-type: none"> • Must accept all applicants. You cannot be denied coverage for preexisting conditions and there will be no annual limit on benefits received. • Are prohibited from using any factor in setting health insurance premiums other than limited use of age, family size, geography, and tobacco use. • Must provide a basic set of minimum benefits to all individuals free of out-of-pocket cost. • State-based health insurance exchanges will be launched by January 1, 2014. The exchanges must be available for individuals and small businesses. • Medicaid will be expanded to cover all individuals under age 65 up to 133% FPL except undocumented immigrants. States will disregard 5% of income in determining eligibility, effectively expanding Medicaid to 138% FPL. The expansion will be fully funded by the federal government between 2014 and 2016. • The small business subsidy for employers that provide insurance is increased up to 50% of cost. • States may be allowed to establish a state-negotiated health insurance plan offered outside the insurance exchanges for non-Medicaid eligible individuals between 133% - 200% FPL.
2015	<ul style="list-style-type: none"> • Health insurance exchanges must be self-sustaining and can charge an assessment or fee for use. • A tax credit will be available for children to obtain insurance through an exchange.
2016-18	<ul style="list-style-type: none"> • 2016: Insurance can be offered across state lines if the states agree. • 2017: States begin to pay a share of the Medicaid expansion. • 2017: States may allow large companies with more than 100 employees to participate in exchanges. • 2018: An excise tax goes into effect on insurers for high-cost health insurance plans.