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## **How does Health Reform impact Physicians?**

### **Expansion of Insurance Coverage:**

- State health insurance exchanges – starting 2014, new regulated marketplace for health insurance
  - Plans required to have a certain minimum standard of benefits offered
  - Open to individuals without health insurance and to small businesses – sliding scale subsidies available up to 400% of the poverty level (\$88,000 for family of 4)
  - Members of Congress & staff must purchase their own insurance through exchanges
- Medicaid Expansion to 133% of poverty and covering childless adults
  - 100% federal financing for 2 years, then 90% matched funds

### **Individual Mandate:**

- Requirement to have insurance coverage or pay a tax \$695 or 2.5% of income by 2016

### **Regulate Insurance Companies:**

- All new plans starting in 2013 cover pre-existing conditions
- At least 85% of premiums go towards medical care in small group and individual markets
- Prohibits lifetime limits on dollar amounts of coverage
- Prohibits dropping patients from coverage (rescission) except in fraud
- Limits premium variation based on age, gender, etc.

### **Physician Payment Increases:**

- 10 percent incentive payments in Medicare for primary care physicians. Applies to all primary care physicians for whom office, nursing facility and home visits comprise at least 60 percent of their total Medicare charges.
- 10 percent incentive payments in Medicare for general surgeons in rural and underserved areas. Applies to all general surgeons who perform major procedures.
- 5 percent incentive payment for mental health services. Applies to all psychotherapy services.
- Increase in Medicaid payments for Primary Care Physicians. Raise Medicaid payments for evaluation and management services and immunizations to at least Medicare rates in 2013 and 2014. 100% federal funding.
- Geographic payment adjustments. Reduce the GPCI adjustment for physician practice expenses which translates into higher reimbursement in rural and low-cost areas.
- Medicare quality reporting incentive payments extended. Incentive payments of 1 percent in 2011 and 0.5 percent from 2012–2014 for voluntary participation in Medicare’s Physician Quality Reporting Initiative (PQRI).
- Reimbursement from Medicare for an annual preventive health exam for enrollees.

### **Small Business Tax Credits:**

- Tax credits for small business with 25 or fewer employees, and with average wages under \$50,000, can get tax credits to offset the cost of health insurance premiums.

### **Administrative Simplification:**

- New standardization rule for health insurance claims processing requirements allowing for easier tracking of claims which should improve revenue cycles and lower overhead costs.



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### **Medical Liability Reform:**

- Health and Human Services (HHS) will award five-year demonstration grants to states to implement alternative medical liability reform programs ( ie. health courts and early offer programs).
- Medical liability protections under the Federal Tort Claims Act will be extended to officers, governing board members, employees and contractors of free clinics.

### **Workforce Investment:**

- Residency programs will be required to redistribute 65% of unfilled slots to primary care or general surgery
- Expanded scholarships and loan repayment through the National Health Service Corps
- Tax relief for those health care workers paying state-issued student loans for working in primary care or high need areas
- Additional low-interest student loans, scholarships, loan repayment programs for primary care and general surgery

### **Preventive Care Investments**

- Eliminates co-pays and deductibles for preventive services (as defined by the USPSTF and HRSA) in Medicare and in all new plans.
- Grants to employers for establishing wellness programs
- Premium discounts for employees who participate in wellness programs
- Requires chain restaurants to publish calorie and recommended daily allowance information for food products they sell
- Medicaid will be required to cover tobacco cessation services for pregnant women.

### **Medicare Prescription Drug Rebate and Coverage:**

- \$250 rebate for Medicare patients who fall in the doughnut hole starting June 2010
- During the next 10 years, the beneficiary co-insurance rate for this coverage gap will be narrowed in phases from the current 100 percent to 25 percent in 2020.

### **Public Health Investments:**

- Establishes a new Public Health Investment Fund (~\$6 billion)
- Major expansion of Community Health Centers (~\$9 billion for 2011-2015)

### **Comparative Effectiveness Research (CER):**

- Establishes a non-profit *Patient-Centered Outcomes Research Institute*.
- Findings of research will not constitute guidelines or mandates

### Additional Web Resources:

New England Journal of Medicine: Health Reform Center: <http://healthcarereform.nejm.org/>

Kaiser Family Foundation Health Reform Center: <http://healthreform.kff.org/>

Robert Wood Johnson Foundation: Health Reform Resources: <http://www.rwjf.org/healthreform/>

Commonwealth Fund: Health Reform Resources: <http://www.commonwealthfund.org/Health-Reform.aspx>

*Doctors for America is a non-profit organization of physicians and medical students who advocate for changes in the health care system to ensure affordable access to quality care for all.*