



May 13, 2010

Federal Health Reform – Implementation Timeline (Selected Provisions)

PROVISION	2010	2011	2012	2013	2014	2015
Coverage – individual mandate					Individual requirement	
Coverage – employer requirement					Employers with > 50 employees	
Medicaid Expansion					To 133% FPL (100% FMAP – 90% FMAP in 2020)	
Health Insurance Exchanges					State run exchanges open	
Insurance Reforms	Prohibit lifetime limits; rescissions; & preexisting conditions for children	Required medical loss ratios			Prohibit preexisting condition exclusions for adults	

Key: Coverage Reimbursement Delivery/System Quality Physicians Workforce



PROVISION	2010	2011	2012	2013	2014	2015
Medicare Hospital Updates	Market Basket (MB) minus .25 (IL impact \$8.2 billion/10 years)	MB minus .25	MB minus (.1 + Productivity)	MB minus (.1 + Productivity)	MB minus (.3 + Productivity)	MB minus (.2 + Productivity)
Medicare Disproportionate Share Hospital (DSH)					Begin reduction of 75%: \$910 million in IL	
Medicaid DSH					Begin reduction of Medicaid DSH allotments; HHS Sec’y to determine method	
Expansion of 340B Drug Pricing Program	Extends eligibility for o/p drugs to children’s, CAHs, SCHs and RRCs					
Value-based Purchasing (VBP)			Base year for future payment	Payments based on quality measures – 1% growing to 2% in 2017 based on 2012 performance		
Geographic Variation		\$200 million/yr. to hospitals in lowest quartile counties	\$200 million/yr. to hospitals in lowest quartile counties			
Hospital Tax Exemption Requirements	Needs assmt., Fin. Assistance Policy, Collection policy					

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Bundling				5 year voluntary pilot program		
Accountable Care Organizations (ACOs)			Voluntary pilot program. Hospitals able to share in savings from care management			
Readmissions				Penalties for “excess” readmissions: IL impact \$679 million; CAHs excluded		
Medicare Payment to Primary Care Providers (PCPs)		Bonus to certain PCPs for 5 years. In HPSAs, certain PCPs get 10% bonus on hosp. visit codes; gen. surg. on major proc. codes				
Medicaid Payment to PCPs				Increase payment to Medicare rates for primary care services	Increase payment to Medicare rates for primary care services	
Graduate Medical Education (GME)		Redistribute unused slots				

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