THE BIG PICTURE: OVERVIEW OF THE AFFORDABLE CARE ACT

Module I
March 23, 2010

President signs health reform bills into law
"Today after almost a century of trying; today, after over a year of debate; today, after all the votes have been tallied, health insurance reform becomes law in the United States of America."
This is a big f---ing deal!
HISTORY OF HEALTH REFORM EFFORTS IN THE UNITED STATES
Teddy Roosevelt and his Progressive party endorse social insurance as part of their platform, including health insurance.
1930 – 1934

Hard economic times called for social policies to secure employment, retirement, and medical care. President Roosevelt appointed a committee to work on all these issues, but in the end did not risk the passage of the Social Security Act to advance national health reform.

Source: Kaiser Family Foundation
In 1933 the Democrats had a veto-proof super majority in both Houses of Congress. The practice of not reading legislation began with the New Dealers, who did not need a single Republican vote to enact any piece of legislation. In the first New Deal Congress the Democrats had a 245 vote majority. In the Senate, they had a 68 vote majority. In 1945, their lead in both Houses shrunk. The Democrats were down 102 House seats from 1933. In the Senate, they were down 11 seats from their 1933 number.
President Roosevelt continued to support national health reform throughout his terms. His second push for national health insurance came after the Social Security Act passed. However, the momentum from FDR’s Technical Committee on Medical Care and a National Health Conference were not enough to overcome a Congress that was no longer supportive of further government expansions.

Source: Kaiser Family Foundation
FDR outlines 'economic bill of rights' including right to adequate medical care and the opportunity to achieve and enjoy good health in his State of the Union address.
Social Security Board calls for compulsory national health insurance as part of the Social Security system.

Source: Kaiser Family Foundation
Truman sends health message to Congress. Revised Wagner-Murray-Dingell bill introduced to Congress again. An alternative Senate bill (Taft-Smith-Ball bill) authorizes grants to states for medical care of the poor. Neither bill gains traction.
Truman, in another special message to Congress calls for a National Health Program. Wagner-Murray-Dingell bill and Taft bill both reintroduced.
President Kennedy addresses the nation on Medicare that is televised from Madison Square Garden. AMA issues televised rebuttal.
Kennedy sends special message to Congress on needs of the elderly. King-Anderson bill re-introduced.
1965 The Medicare and Medicaid programs are signed into law.

Source: Kaiser Family Foundation
1974

Employee Retirement Income Security Act (ERISA) enacted. Exempts self-insured employers from state health insurance regulations. Hawaii's new employer mandate is given an exemption from ERISA.

Source: Kaiser Family Foundation
COBRA (Consolidated Omnibus Budget Reconciliation Act) contains specific regulations that allow employees who lose their jobs to continue with their health plan for 18 months.

Source: Kaiser Family Foundation
Emergency Medical Treatment and Active Labor Act (EMTALA) requires hospitals participating in Medicare to screen and stabilize all persons who use their emergency rooms regardless of ability to pay.

Source: Kaiser Family Foundation
Within his first week in office President Clinton convenes White House Task Force on Health Reform, and appoints First Lady Hillary Clinton as chair.
President Clinton's proposal, named the Health Security Act, is introduced in both houses of Congress in November, but gains little support. Every American would have a "Health Security Card" to ensure access to care.

Source: Kaiser Family Foundation
Health Insurance Portability and Accountability Act (HIPAA) restricts use of pre-existing conditions in health insurance coverage determinations, sets standards for medical records privacy, and establishes tax-favored treatment of long-term care insurance.

Source: Kaiser Family Foundation
Balanced Budget Act includes many changes in provider payments to slow the growth in Medicare spending. It establishes the Medicare + Choice program, a new structure for Medicare HMOs and other private plans offered to beneficiaries, later re-named Medicare Advantage in 2003.

Source: Kaiser Family Foundation
Also part of the Balanced Budget Act (BBA), the State Children's Health Insurance Program (SCHIP) is enacted. Provides block grants to states allowing for coverage of low-income children above Medicaid eligibility levels. BBA also allows states to cover working disabled with incomes up to 250% of poverty, permits mandatory Medicaid enrollment in managed care and repeals the Boren amendment.

Source: Kaiser Family Foundation
Medicare Drug, Improvement, and Modernization Act (MMA) passes, creating a voluntary, subsidized prescription drug benefit under Medicare, administered exclusively through private plans, both stand-along prescription drug plans and Medicare Advantage plans.
Medicare legislation creates Health Savings Accounts which allow individuals to set aside pre-tax dollars to pay for current and future medical expenses. The plans must be used in conjunction with a high deductible health plan.

Source: Kaiser Family Foundation
2003 – Present

88 Co-sponsors in the House by 2007

Source: Kaiser Family Foundation
THIS MIGHT HURT A LITTLE.

A FILM BY
MICHAEL MOORE

SiCKO

The explosive new film from the Academy Award-winning director of Bowling for Columbine and Fahrenheit 9/11

GET WELL SOON.

SICKO-THEMOVIE.COM

LIONSGATE
Massachusetts passes and implements legislation to provide health care coverage to nearly all state residents. Legislation requires residents to obtain health insurance coverage and calls for shared responsibility among individuals, employers, and the government in financing the expanded coverage. Within two years of implementation the state's uninsured rate is cut in half.

Source: Kaiser Family Foundation
BRIEF HISTORY OF THE AFFORDABLE CARE ACT
Rising health care costs
Unsustainable premium increases
Millions of uninsured
2008

Presidential campaign focuses early on national health reform, overshadowed later by housing crisis and economic downturn, yet remains a key pocketbook issue throughout the campaign. Both major party candidates announce comprehensive health reform proposals.
America decides it's time for a change
2009

President Obama establishes Office of Health Reform to coordinate administrative efforts on national health reform.
The American Reinvestment and Recovery Act (ARRA) makes substantial investments to help develop health information technology, expand the primary care workforce and conduct research on comparative effectiveness for health care treatment options.
2009

White House holds a Health Reform Summit with key stakeholders.
President Obama releases FY 2010 budget which outlines eight principles for health reform and proposes a set aside of 634 billion in a health reform reserve fund.
Obamacare
President Obama’s Vision

- Reduce health care costs
- Protect current coverage
- Preserve provider choice
- Ensure affordable, quality health care for all

"If you like your plan, you can keep it."
"If you like your doctor, you can keep your doctor."
Quality, affordable health coverage for every American.
A hands off approach from the President
Obama’s vision, Congress’ words

3 competing bills

Senate HELP Committee
Senate Finance Committee
House Tri-Committee
Affordable Health Care for America Act

(House version proposed by the House Committees on Ways and Means, Energy and Commerce, and Education and Labor)
House Democrats’ Health Plan

[Diagram of organizational chart for the House Democrats’ Health Plan, showing various components such as the Bureau of Health Information, Health Choices Administration, and Health Insurance Exchange.]

Source: Joint Economic Committee, Republican Staff Congresswoman Kirsten Bass, Ranking House Republican Member
House Bill passes November 7, 2009
American Health Choices Act

(Senate version proposed by the Health, Education, Labor, and Pensions Committee chaired by Senator Ted Kennedy)
Patient Protection and Affordable Care Act

(Senate version proposed by the Senate Finance Committee chaired by Senator Max Baucus), passed by the Senate December 24, 2009 and by the House March 21, 2010
TWO BECOME ONE

The Senate Bill
H.R. 3590
Patient Protection and Affordable Care Act

Senate HELP Bill and Senate Finance Committee Bill are merged into “The Senate Bill”
Senate Bill passes December 24, 2009
Time to work out the differences
Closed door negotiations
Not a pretty process
Public support for reform declines
Scott Brown wins in Massachusetts
Obama wonders what happened to his health plan
If you want a job done right...

Time to roll up his sleeves

and get his hands dirty

February 25th
Bi-partisan Health Reform talks aired live!
“Let’s get all the ideas on the table”
House passes Senate bill and Reconciliation bill
Health Care & Education Affordability Act

(White House / Congressional Leadership Reconciliation Bill), passed by the House March 21, 2010
President signs health reform bills into law
Time to sell it to the American people
Let’s put some lipstick on this pig
Major Provisions
Major provisions

Guaranteed issue
- anyone who wants coverage can buy it

Individual mandate
- everyone must buy it

Individual subsidies
- the government will help some people buy it

Marketplace / exchange
- here’s where the government will help people buy it

Employer mandate
- employers have to keep helping their employees buy it

Market reforms (plan design, rating rules)
- the plans come fully loaded and are priced “fairly”
For A Minute There
You Bored Me To Death
The health reform debate
Well, it looks like you had good intentions. Why don't we have you pave roads for eternity?
They don’t know health insurance
Supporters are Claiming Victory
Opponents Still Want to Kill It
The further we get down Health Reform Road...
...the less chance we can go back.
THE LEGISLATIVE PROCESS
2,409 pages + 55 page reconciliation bill
The United States Code


The official text of an Act of Congress is that of the "enrolled bill" (traditionally printed on parchment) presented to the President for his signature or disapproval.

Because of this codification approach, a single named statute (like the Taft-Hartley Act, or the Embargo Act) may or may not appear in a single place in the Code. Often, complex legislation bundles a series of provisions together as a means of addressing a social or governmental problem; those provisions often fall in different logical areas of the Code.

ACA modifies a number of existing health insurance laws
The Affordable Care Act, Section by Section

Below you will find all 10 Titles of the Affordable Care Act, with amendments to the law called for by the reconciliation process. Click on each Title to see a brief outline and then read the law section by section.

- Title I. Quality, Affordable Health Care for All Americans
- Title II. The Role of Public Programs
- Title III. Improving the Quality and Efficiency of Health Care
- Title IV. Prevention of Chronic Disease and Improving Public Health
- Title V. Health Care Workforce
- Title VI. Transparency and Program Integrity
- Title VII. Improving Access to Innovative Medical Therapies
- Title VIII. Community Living Assistance Services and Supports Act (CLASS Act)
- Title IX. Revenue Provisions
- Title X. Reauthorization of the Indian Health Care Improvement Act

Kathleen Sebelius – Former Secretary of HHS

“The Secretary Shall”
(1,045 times)
Part III

Department of Health and Human Services

45 CFR Parts 144, 147, 150, et al.  
Patient Protection and Affordable Care Act; Health Insurance Market Rules; Rate Review; Proposed Rule
Comment Period Required – usually 30 days
Code of Federal Regulations (CFR)

The Code of Federal Regulations (CFR) is the codification of the general and permanent rules and regulations (sometimes called administrative law) published in the Federal Register by the executive departments and agencies of the federal government of the United States.

Every regulation in the CFR must have an "enabling statute," or statutory authority. The United States Code (U.S. Code) precedes the CFR and contains statutes enacted by Congress. The CFR contains regulations, which spell out in further detail how the executive branch will interpret the law.

The Legislative Process

The two documents represent different stages in the legislative process. The U.S. Code is a codification of legislation, while the CFR serves as administrative law.

Provisions that have been eliminated

1099 Reporting

Voucher Program

CLASS Act

$2,000 Deductible Limit for Small Groups
Market Reforms (HHS)
- Essential Benefits
- Cost-Sharing Requirements
- Rating Rules
- Exchange / Marketplace

Subsidies & Penalties (IRS)
- Small Group Tax Credit
- Large Employer Mandate
- Individual Premium Tax Credits
- Individual Mandate

Compliance (DOL + others)
- Summary of Benefits & Cvg.
- Notice of Coverage Options
- ERISA
- 6056 Reporting Requirements (IRS)

Benefits Package (you)
- Plan Selection
- Contribution Strategy
- Ancillary & Fringe Benefits
- Benefits Communication
The Big Picture

ANY QUESTIONS?