KEY PROVISIONS THAT TAKE EFFECT IMMEDIATELY

UNDER SENATE BILL AS AMENDED BY RECONCILIATION BILL

FOR SMALL BUSINESSES

SMALL BUSINESS TAX CREDITS—Offers tax credits of up to 35 percent of employer premium contributions for those small businesses that choose to over coverage. *Effective beginning for calendar year 2010.* (Beginning in 2014, offers credits of up to 50 percent of employer premium contributions, for up to 2 years.)

FOR SENIORS

BEGINS TO CLOSE THE MEDICARE PART D DONUT HOLE—Provides a $250 rebate to Medicare beneficiaries who hit the donut hole in 2010. *Effective for calendar year 2010.* Then provides a 50% discount on prescription drugs in the donut hole. *Effective on January 1, 2011.* (Also completely closes the donut hole by 2020.)

FREE PREVENTIVE CARE UNDER MEDICARE—Eliminates co-payments for preventive services and exempts preventive services from deductibles under the Medicare program. *Effective beginning January 1, 2011.*

HELP FOR EARLY RETIREES—Creates a temporary re-insurance program (until the Exchanges are available) for employer health plans providing coverage for early retirees, helping to protect coverage while reducing premiums for employers and these early retirees age 55-64. *Effective 90 days after enactment.*

FOR THOSE PRIVATELY INSURED

NO DISCRIMINATON AGAINST CHILDREN WITH PRE-EXISTING CONDITIONS—Prohibits all employer plans and new plans in the individual market from denying coverage to children with pre-existing conditions. *Effective 6 months after enactment.* (Beginning in 2014, this prohibition would apply to adults as well.)

NO RESCISSIONS—Bans all health plans from dropping people from coverage when they get sick. *Effective 6 months after enactment.*

NO LIFETIME LIMITS ON COVERAGE—Prohibits all health plans from placing lifetime caps on coverage. *Effective 6 months after enactment.*

TIGHTLY REGULATES ANNUAL LIMITS ON COVERAGE—Tightly restricts the use of annual limits by all employer plans and new plans in the individual market, to ensure access to needed care. *Effective 6 months after enactment.* (Beginning in 2014, the use of any annual limits would be prohibited for these same plans.)

FREE PREVENTIVE CARE UNDER NEW PLANS—Requires new private plans to cover preventive services with no co-payments and with preventive services being exempt from deductibles. *Effective 6 months after enactment.*

NEW, INDEPENDENT APPEALS PROCESS FOR NEW PLANS—Ensures consumers in new plans have access to an effective internal and external appeals process to appeal decisions. *Effective 6 months after enactment.*

MORE FOR YOUR PREMIUM DOLLAR—Requires all health plans to put more of your premiums into your care, and less into profits, CEO pay, etc. This medical loss ratio requires plans in the individual market to spend 80 percent of premiums on medical services, and plans in the large group market to spend 85 percent. Insurers that don't meet these thresholds must provide rebates to policyholders. *Effective on January 1, 2011.*

NO DISCRIMINATION BASED ON SALARY—Prohibits new employer health plans from establishing any eligibility rules for health care coverage that have the effect of discriminating in favor of higher wage employees. *Effective 6 months after enactment.*

FOR THOSE UNINSURED

IMMEDIATE HELP FOR THE UNINSURED WITH PRE-EXISTING CONDITIONS (INTERIM HIGH-RISK POOL)—Provides immediate access to insurance for Americans who are uninsured because of a pre-existing condition - through a temporary high-risk pool – until the Exchanges are up and running in 2014. *Effective 90 days after enactment.*

EXTENDING COVERAGE FOR YOUNG PEOPLE UP TO 26TH BIRTHDAY THROUGH PARENTS' INSURANCE – Requires plans to allow young people up to their 26th birthday to remain on their parents' insurance policy, at the parents' choice. *Effective 6 months after enactment; applies to all plans; however, between now and 2014, for existing employer plans, applies only to young people not offered their own employer-provided coverage.*

GENERAL REFORMS

COMMUNITY HEALTH CENTERS—Increases funding for Community Health Centers to allow for nearly doubling the number of patients served over the next 5 years. *Effective beginning in fiscal year 2011.*

MORE PRIMARY CARE PRACTITIONERS—Provides new investments to increase the number of primary care practitioners, including doctors and nurses. *Effective beginning in fiscal year 2011.*

HEALTH INSURANCE CONSUMER ASSISTANCE—Provides aid to states to establish offices of health insurance consumer assistance to help consumers file complaints and appeals. *Effective beginning in fiscal year 2010.*

CREATES NEW, VOLUNTARY, PUBLIC LONG-TERM CARE INSURANCE PROGRAM—Creates a long-term care insurance program to be financed by voluntary payroll deductions to provide benefits to adults who become functionally disabled. *Effective on January 1, 2011.*

HOLDS INSURANCE COMPANIES ACCOUNTABLE FOR UNREASONABLE RATE HIKES—Creates a grant program to support states in requiring health insurance companies to submit justification for requested premium increases. *Effective beginning in fiscal year 2010.*

MORE REFORMS THAT BEGIN IN 2014 (WHEN EXCHANGES HAVE FORMED)

NO DISCRIMINATION AGAINST ADULTS WITH PRE-EXISTING CONDITIONS

BAN ON HIGHER PREMIUMS FOR WOMEN

PREMIUMS BASED ON AGE CAN ONLY VARY BY A MAXIMUM OF 3-TO-1 RATIO

CAP ON OUT-OF-POCKET EXPENSES for private health plans.

OFFICE OF SPEAKER NANCY PELOSI

APRIL 2, 2010