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Since 1976

Employee Benefit Consultants, Risk Managers and Administrators

Patient Protection and Affordable Care Act (PPACA)

Implementations for 2011

Minimum Medical Loss Ratio for Insurers

Requires health plans to report the proportion of premium dollars spent on clinical services, quality, and other costs and provide rebates to consumers if the share of the premium spent on clinical services and quality is less than 85% for plans in the large group market and 80% for plans in the individual and small group markets. Implementation: Requirement to report medical loss ratio effective for 2010; requirement to provide rebates effective beginning January 1, 2011

Closing the Medicare Drug Coverage Gap

Requires pharmaceutical manufacturers to provide a 50% discount on brand-name prescriptions filled in the Medicare Part D coverage gap beginning in 2011 and begins phasing-in federal subsidies for generic prescriptions filled in the Medicare Part D coverage gap. Implementation: January 1, 2011

Medicare Payments for Primary Care

Provides a 10% Medicare bonus payment for primary care services; also, provides a 10% Medicare bonus payment to general surgeons practicing in health professional shortage areas. Implementation: January 1, 2011 through December 31, 2015

Medicare Prevention Benefits

Eliminates cost-sharing for Medicare-covered preventive services that are recommended (rated A or B) by the U.S. Preventive Services Task Force and waives the Medicare deductible for colorectal cancer screening tests; authorizes Medicare coverage for a personalized prevention plan, including a comprehensive health risk assessment. Implementation: January 1, 2011

Center for Medicare and Medicaid Innovation

Creates the Center for Medicare and Medicaid Innovation to test new payment and delivery system models that reduce costs while maintaining or improving quality. Implementation: Center established by January 1, 2011

Medicare Premiums for Higher-Income Beneficiaries

Freezes the income threshold for income-related Medicare Part B premiums for 2011 through 2019 at 2010 levels resulting in more people paying income-related premiums, and reduces the Medicare Part D premium subsidy for those with incomes above \$85,000/individual and \$170,000/couple. Implementation: January 1, 2011

Medicare Advantage Payment Changes

Restructures payments to private Medicare Advantage plans by phasing-in payments set at increasingly smaller percentages of Medicare fee-for-service rates; freezes 2011 payments at 2010 levels; and prohibits Medicare Advantage plans from imposing higher cost-sharing requirements for some Medicare covered benefits than is required under the traditional fee-for-service program. Implementation: January 1, 2011

Medicaid Health Homes

Creates a new Medicaid state option to permit certain Medicaid enrollees to designate a provider as a health home and provides states taking up the option with 90% federal matching payments for two years for health home-related services. Implementation: January 1, 2011

Chronic Disease Prevention in Medicaid

Provides 3-year grants to states to develop programs to provide Medicaid enrollees with incentives to participate in comprehensive health lifestyle programs and meet certain health behavior targets. Implementation: January 1, 2011

Community Living Assistance Services and Support (CLASS) Program

Establishes a national, voluntary insurance program for purchasing community living assistance services and supports (CLASS program). Implementation: January 1, 2011

National Quality Strategy

Requires the Secretary of the federal Department of Health and Human Services to develop and update annually a national quality improvement strategy that includes priorities to improve the delivery of health care services, patient health outcomes, and population health. Implementation: Initial strategy due to Congress by January 1, 2011

Changes to Tax-Free Savings Accounts

Excludes the costs for over-the-counter drugs not prescribed by a doctor from being reimbursed through a Health Reimbursement Account or health Flexible Spending Account and from being reimbursed on a tax-free basis through a Health Savings Account or Archer Medical Savings Account. Increases the tax on distributions from a health savings account or an Archer MSA that are not used for qualified medical expenses to 20% of the amount used. Implementation: January 1, 2011

Grants to Establish Wellness Programs

Provides grants for up to five years to small employers that establish wellness programs. Implementation: Funding authorized beginning in fiscal year 2011

Teaching Health Centers

Establishes Teaching Health Centers and provides payments for primary care residency programs in community-based ambulatory patient care centers. Implementation: Funding appropriated for five years beginning in fiscal year 2011

Medical Malpractice Grants

Authorizes \$50 million for five-year demonstration grants to states to develop, implement, and evaluate alternatives to current tort litigation. Implementation: Authorizes funding beginning fiscal year 2011

Funding for Health Insurance Exchanges

Provides grants to states to begin planning for the establishment of American Health Benefit Exchanges and Small Business Health Options Program Exchanges, which facilitate the purchase of insurance by individuals and small employers. Implementation: Grants awarded starting March 23, 2011; enrollment in Exchanges begins January 1, 2014

Nutritional Labeling

Requires disclosure of the nutritional content of standard menu items at chain restaurants and food sold from vending machines. Implementation: By March 23, 2011

Medicaid Payments for Hospital-Acquired Infections

Prohibits federal payments to states for Medicaid services related to certain hospital-acquired infections. Implementation: July 1, 2011

Graduate Medical Education

Increases the number of Graduate Medical Education (GME) training positions by redistributing currently unused slots and promotes training in outpatient settings. Implementation: July 1, 2011

Medicare Independent Payment Advisory Board

Establishes an Independent Advisory Board, comprised of 15 members, to submit legislative proposals containing recommendations to reduce the per capita rate of growth in Medicare spending if spending exceeds targeted growth rates. Implementation: Funding available October 1, 2011; first recommendations due January 15, 2014

Medicaid Long-Term Care Services

Creates the State Balancing Incentive Program in Medicaid to provide enhanced federal matching payments to increase non-institutionally based long-term care services and establishes the Community First Choice Option in Medicaid to provide community-based attendant support services to certain people with disabilities. Implementation: October 1, 2011