



Since 1976

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Patient Protection and Affordable Care Act (PPACA)

Implementations for 2013

State Notification Regarding Exchanges

States indicate to the Secretary of HHS whether they will operate an American Health Benefit Exchange.

Implementation: January 1, 2013

Closing the Medicare Drug Coverage Gap

Begins phasing-in federal subsidies for brand-name prescriptions filled in the Medicare Part D coverage gap (reducing coinsurance from 100% in 2010 to 25% in 2020, in addition to the 50% manufacturer brand-name discount). Implementation: January 1, 2013

Medicare Bundled Payment Pilot Program

Establishes a national Medicare pilot program to develop and evaluate making bundled payments for acute, inpatient hospital services, physician services, outpatient hospital services, and post-acute care services for an episode of care. Implementation: January 1, 2013

Medicaid Coverage of Preventive Services

Provides a one percentage point increase in federal matching payments for preventive services in Medicaid for states that offer Medicaid coverage with no patient cost sharing for services recommended (rated A or B) by the U.S. Preventive Services Task Force and recommended immunizations. Implementation: January 1, 2013

Medicaid Payments for Primary Care

Increases Medicaid payments for primary care services provided by primary care doctors to 100% of the Medicare payment rate for 2013 and 2014 (financed with 100% federal funding). Implementation: January 1, 2013 through December 31, 2014

Itemized Deductions for Medical Expenses

Increases the threshold for the itemized deduction for unreimbursed medical expenses from 7.5% of adjusted gross income to 10% of adjusted gross income; waives the increase for individuals age 65 and older for tax years 2013 through 2016. Implementation: January 1, 2013

Flexible Spending Account Limits

Limits the amount of contributions to a flexible spending account for medical expenses to \$2,500 per year, increased annually by the cost of living adjustment. Implementation: January 1, 2013

Medicare Tax Increase

Increases the Medicare Part A (hospital insurance) tax rate on wages by 0.9% (from 1.45% to 2.35%) on earnings over \$200,000 for individual taxpayers and \$250,000 for married couples filing jointly and imposes a 3.8% assessment on unearned income for higher-income taxpayers. Implementation: January 1, 2013

Employer Retiree Coverage Subsidy

Eliminates the tax-deduction for employers who receive Medicare Part D retiree drug subsidy payments. Implementation: January 1, 2013

Tax on Medical Devices

Imposes an excise tax of 2.3% on the sale of any taxable medical device. Implementation: January 1, 2013

Financial Disclosure

Requires disclosure of financial relationships between health entities, including physicians, hospitals, pharmacists, other providers, and manufacturers and distributors of covered drugs, devices, biologicals, and medical supplies. Implementation: Report to Congress due April 1, 2013

CO-OP Health Insurance Plans

Creates the Consumer Operated and Oriented Plan (CO-OP) to foster the creation of non-profit, member-run health insurance companies. Implementation: CO-OPs established by July 1, 2013

Extension of CHIP

Extends authorization and funding for the Children's Health Insurance Program (CHIP) through 2015 (current authorization is through 2013). Implementation: Fiscal year 2013