



MEMORANDUM

March 25, 2010

To: Senate Republican Policy Committee
Attention: Danielle Beck

From: Mark Newsom, Analyst in Health Financing, 7-1686

Subject: **Chronology of Major Effective Dates for Private Health Insurance Reforms in the Patient Protection and Affordable Care Act (PPACA) and Proposed Changes in H.R. 4872, the Health Care and Education Reconciliation Act of 2010**

Per your request, the following chronology of major effective dates for the private health insurance reforms in Sections 1001 through 1515 of the PPACA (P.L. 111-148) includes changes proposed by H.R. 4872, the Health Care and Education Reconciliation Act of 2010.¹ Please note that each provision may have additional administrative or operational requirements before or after the major effective date. For example, before issuing the uniform standards for the explanation of covered benefits, the Secretary of Health and Human Services would be expected to consult with the National Association of Insurance Commissioners (NAIC) and other key stakeholders. These administrative and operational requirements that are components of a major provision are not listed.

Please note that this memorandum and your request are confidential. However, because of the considerable interest in the effective dates of P.L. 111-148 this chronology may be replicated in forthcoming CRS products.

Chronology of Major Private Health Insurance Effective Dates for P.L. 111-148 and Proposed Changes in H.R. 4872, the Health Care and Education Reconciliation Act of 2010

Effective Date	Provision in P.L. 111-148 (section)	Summary of Changes to P.L. 111-148 in H.R. 4872 (section)
Enactment	<ul style="list-style-type: none"> ● Health insurance consumer information grant program (§1002) ● Ensuring that consumers get value for their dollars (§1003)² ● Preservation of the right to maintain existing 	

¹ For more detail on the reconciliation bill see CRS Report R41126, *Private Health Insurance: Changes Made by H.R. 4872, the Health Care and Education Reconciliation Act of 2010*, by Hinda Chaikind et al.

² Authority for the program is effective upon enactment. The provision requires an initial premium review for the plan year 2010.

³ This provision applies to a group health plan or health insurance coverage in which such individual was enrolled on the date of enactment. In Title I the term “grandfathered health plan” means any group health plan or health insurance coverage to which this section applies. In the case of health insurance coverage maintained pursuant to collective bargaining agreements the (continued...)

Effective Date	Provision in P.L. 111-148 (section)	Summary of Changes to P.L. 111-148 in H.R. 4872 (section)
	coverage ³ (§1251 as amended by §10103)	<ul style="list-style-type: none"> • Would establish a Health Insurance Reform Implementation Fund within the Department of Health and Human Services (HHS) for federal administrative expenses for carrying out the legislation. The reconciliation bill appropriates \$1 billion to the fund (§1005)
January 1, 2010	<ul style="list-style-type: none"> • Small Business Tax Credit – initial credit available for tax years 2010 through 2013 (§1421 as amended by §10105) 	
Not later than 90 days after enactment	<ul style="list-style-type: none"> • High-risk pools for individuals with a preexisting condition (§1101) • Reinsurance for early retirees (§1102 as amended by §10102) 	
Not later than July 1, 2010	<ul style="list-style-type: none"> • Immediate information to identify affordable coverage (§1103 as amended by §10101) 	
Plan years beginning on or after the date that is 6 months after the date of enactment	<ul style="list-style-type: none"> • Prohibiting lifetime or annual limits for essential health benefits (§1001 as amended by §10101) • Prohibition on rescissions (§1001) • Coverage of preventive health services (§1001 as amended by S. Amdt. 2791 and 2808) • Extension of dependent coverage to unmarried adult children until the individual is 26 years of age (§1001) • Prohibition of discrimination based on salary (§1001 as amended by §10101) • Bringing down the cost of health care coverage. The rebates for exceeding targeted medical loss ratios would begin not later than January 1, 2011 (§1001 as amended by §10101) • Appeals process (§1001 as amended by §10101) • Coverage for pre-existing health conditions, for enrollees under age 19 (§1201 as amended by §10103) • Patient protections including choice of provider and medical reimbursement data (§10101) 	<ul style="list-style-type: none"> • The prohibition on lifetime and annual limits would also apply to grandfather plans (§ 2301) • The prohibition on rescissions would also apply to grandfather plans (§ 2301) • The extension of coverage would also apply to grandfather plans, but for group plans that are grandfathered the coverage would be limited to those adult children that do not have an offer of coverage from their employer. Would also permit the adult child to maintain eligibility if he/she were married (§ 2301)
Not later than 12 months after enactment	<ul style="list-style-type: none"> • Development of uniform explanation of coverage documents (§1001) 	
Fiscal Year 2011	<ul style="list-style-type: none"> • Grants for wellness programs (§10408) • Medical malpractice demonstration grants available 	

(...continued)

provisions of subtitles A and C shall not apply until the date on which the last of the collective bargaining agreements relating to the coverage terminates.

Effective Date	Provision in P.L. 111-148 (section)	Summary of Changes to P.L. 111-148 in H.R. 4872 (section)
	for 5 years (§10607)	
Not later than July 1, 2011	<ul style="list-style-type: none"> • Administrative simplification. The bill would create a timeline of implementation dates. The first is not later than July 1, 2011 (§1104) 	
Not later than 2 years after enactment	<ul style="list-style-type: none"> • Ensuring the quality of care (§1001 as amended by §10101) 	
Not later than January 1, 2013	<ul style="list-style-type: none"> • Secretary determines whether states have met requirements to establish their own exchange by 1/1/14; if not, Secretary would establish and operate exchange in state (§1321) 	
Not later than July 1, 2013	<ul style="list-style-type: none"> • Consumer Operated and Oriented Plan (CO-OP) grant program (§1322) 	
January 1, 2014	<ul style="list-style-type: none"> • Coverage for pre-existing health conditions (§1201 as amended by §10103) • Guaranteed issue (§1201) • Guaranteed renewability (§1201) • Prohibition on excessive waiting periods (§1201) • Adjusted community rating rules (§1201 as amended by §10103) • Non-discrimination based on health status-related factors (§1201) • Changes to wellness program requirements (§1201) • Rating reforms must apply uniformly to all health insurance issuers and group health plans (§1251) • New federal standards for qualified health plans (QHPs) (§1301) • Essential health benefits package (§1302) • Criteria for QHP certification, including network adequacy (§1311) • Marketing requirements (§1311) • Exchange operation (§1311 et seq.) • Community Health Insurance Option (§1323) • QHPs subject to specified federal and state laws (§1324) • State flexibility to establish a Basic Health Program (§1331 as amended by §10104) • State reinsurance programs (§1341 as amended by §10104) • Risk corridors (§1342) • Risk-adjustment model (§1343) • Multi-State QHPs (§1344 as amended by §10104) • Premium tax credits and cost-sharing reductions (§1401 et seq.)⁴ 	<ul style="list-style-type: none"> • The prohibition on pre-existing conditions would apply to grandfathered plans (§2301) • The limitations on excessive waiting periods would apply to grandfathered plans (§2301) • Would make the premium credits in 2014 somewhat more generous for individuals between 133% FPL and 200% FPL and between 250% FPL and 400% FPL. Would increase the cost-sharing subsidies for those up to 250% FPL, to cover a higher percentage of expenses. Would alter the definition

⁴ Includes the eligibility determination provisions in sections 1411 through 1415.

Effective Date	Provision in P.L. 111-148 (section)	Summary of Changes to P.L. 111-148 in H.R. 4872 (section)
	<ul style="list-style-type: none"> ● Small Business Tax Credit –credit available for no more than 2 consecutive tax years (§1421 as amended by §10105) ● Individual Responsibility (§1501) ● Employer Responsibilities (§1502, §1511, §1512, §1513, and §1514 ; as amended by §10106 and §10108) ● Offering of Exchange-participating QHPs through Cafeteria Plans (§1515) ● Pharmacy benefits manager (PBM) information transparency (§6005) 	<p>of income used for determining eligibility for premium and cost-sharing credits (§1001(a)(1)(A), §1001(a)(2), §1001(b) and §1004)</p> <ul style="list-style-type: none"> ● Would make certain changes to the calculation of the penalties imposed on persons who are not in compliance with the individual responsibility, and would modify a rule regarding the exemption from the individual mandate (§1002) ● Would make changes to how the employer penalties would be calculated, creating more similarity in penalties among employers who do offer coverage and those that do not offer coverage, would include full-time equivalents in the counting of full-time employees, and would strike the employer waiting period assessment. (§1003)
January 1, 2016	<ul style="list-style-type: none"> ● Establishment of interstate health care choice compacts (§1333) 	
For plan year 2017	<ul style="list-style-type: none"> ● Waiver for state innovation (§1332) 	