

Timeline of Major Provisions in the Democrats' Health Care Package

(4-23-10)

Changes coming;

- CBO - 9 million people who are insured by their employers will lose their insurance.
- Cost of Health Care Bill 3590 is \$2.6 Trillion from year 2014 to 2024. Does not include \$371 billion for Medicare Physician fees. The "Doc Fix" bill in congress now.
- Raises taxes by \$569 billion on small businesses.
- Creates a new marriage penalty with new income and investment taxes.
- Cuts Medicare by \$523 billion
- Forces everyone to buy health insurance or pay a fine.
- Adds approximately 16,000 IRS agents to enforce the government mandate to buy insurance.
- Forces states to increase Medicaid spending by \$328 billion.
- Increases Obama deficit to \$20 Trillion by 2020 or 90% of GDP. \$170,000 per household.

2009

- 2-year tax credit (total cap of \$1B) for new chronic disease therapy investments
- Medicare cuts to Long Term Care hospitals, and inpatient rehabilitation facilities begin.
- Stimulus bill adds a health care panel and funds it called "The Comparative Effectiveness Research Commission" It is their job determine which medical procedures should be used and who should get them. Our view; In effect if you are a senior and need a knee replacement you may not get it. It is based on your remaining productive years.
- President orders a 17% cut in funding for Medicare Advantage Plans for 2010. This causes some companies to cancel their plans. Other companies reduce benefits, raise out of pocket costs, increase co pays and increase premiums as much as 300%. This puts severe economic stress on low income seniors who purchase the Advantage Plans. See <http://www.lowcostinsur.com/articles/national%20healthcare/Death%20Panel%20already%20exists.pdf>
"The Health Benefits Advisory Committee" was previously established. They will determine which benefits citizens should receive and make their recommendations to the Health Care commissioner created in the Senate bill.

2010

- States and Federal officials review premium increases. Our take; This is the beginning of the end for Health Insurance Companies. See below; <http://www.lowcostinsur.com/articles/national%20healthcare/The%20beginning%20of%20the%20end%20for%20health%20insurance%20companies.pdf>
- Medicare Advantage plans will not face big payment cuts until 2012. Under the healthcare reform bill, Advantage plans will get the same payments in 2011 as they receive in 2010. Democrats wanted to delay major cuts until after the November 2010 elections to minimize loss of Senior citizen votes. \$200 billion will eventually be cut from these plans putting many seniors on Medicaid. The goal is to have 50% of senior citizens on Medicaid by 2016. On Medicaid you get no choice in health care plans, doctors or hospitals. You go where you are told to go.
- Government takes control of all student loans. This allows the government to determine which students and which Universities will get student loans. This could be a pretense to prevent Non compliant Universities or Colleges (not teaching the government ideology) from getting the loans.
- FDA authorized to approve "follow-on" biologics
- Increases Medicare payments to doctors in rural areas for two years only. After 2012 the state may have to pick up the cost.
- Medicare cuts to inpatient psychology hospitals effective 07-01-2010.

- All health insurance plans will have to cover "preventive care" not covered by Medicare, further increasing the cost of Medicare Supplement plans. Effective 09-23-2010.
- Increases Medicare payments to doctors in rural areas for two years only. After 2012 the state may have to pick up the cost.
- Increase brand name pharmaceutical Medicaid rebate (from 15.1% to 23.1%).
- Deny "black liquor" eligibility for cellulosic biofuel producers credit.
- Tax credits provided to certain small employers for health care-related expenses.
- Increase adoption tax incentives for 2 years.
- Codify economic substance doctrine and impose penalties for underpayments (transactions on/after 3/23/10)
- Provide income exclusion for specified Indian tribe health benefits provided after 3/23/10.
- Temporary high-risk pool and high-cost union retiree reinsurance (\$5 B each for 3.5 years) (6/23/10)
- Impose 10% tax on indoor UV tanning (7/1/10)
- Prohibits lifetime and annual benefit spending limits (plan years beginning 9/23/10)
- Prohibits non-group plans from canceling coverage (rescission's) (plan years beginning 9/23/10)
- Requires all plans to cover, at no charge, most preventive care (plan years beginning 9/23/10) This will increase the premiums for all plans including Medicare supplements.
- Allows dependents to stay on parents' policies through age 26 (plan years beginning 9/23/10)
- Provides limited protections to children with pre-existing conditions (plan years beginning 9/23/10) Full protection for preexisting conditions does not start until 2014.
- Hospitals in "Frontier States" (ND, MT, WY, SD, UT) receive higher Medicare payments (FY11)
- Hospitals in "low-cost" areas receive higher Medicare payments for 2 yrs (\$400 million, FY11)

2011

- Medicare cuts to home health care begin. This cost will be paid out of pocket by seniors or be picked up by supplemental insurance. This will cause the cost of Medicare supplemental insurance to increase.
- Wealthier seniors (making over \$85k in pension and social security) begin paying higher Part D (drug coverage) premiums which are not indexed for inflation.
- Medicare reimbursement cuts for seniors when they get diagnostic imaging like MRIs, CT scans, etc. These are common methods for cancer detection. Seniors will have to pay the difference or have supplemental insurance that will cover the cost. This will further increase the cost of Medicare Supplement Insurance.
- Medicare reimbursement cuts to ambulance services, ASCs, diagnostic labs (like blood tests) and durable medical equipment. Seniors will have to pay the difference or have supplemental insurance that will cover the cost. This will further increase the cost of Medicare Supplement Insurance.
- Everyone begins paying premiums for Federal "Long Term Care insurance" as a deduction from paychecks. A special form must be filled out to opt out.
- All health insurance plans will be required to spend 85% of all premium dollars on claims. The average today is 65%. If Ford were forced to pay 85% of all revenue received to their employees they would leave the country or close up. Many health insurance companies may opt to stop offering plans and Medicare Supplement insurance. This will help force seniors onto the Medicaid system as planned. It will also be the end of private insurance companies and usher in the single payer plan.
- Physicians in Frontier states (ND, MT, WY, SD, UT) receive higher Medicare payments.
- Medicare payments are prohibited from going to Physician owned hospitals.
- Seniors are prohibited from purchasing power wheelchairs unless they first rent for thirteen months.
- Seniors who reach the "donut hole" in drug coverage receive a check for \$250 on 03-15-2010.

- Medicare reimbursement cuts to "Long Term Care" hospitals begin on 07-01-2011. This will reduce the care for seniors and force more seniors to purchase LTC insurance or go on to Medicaid.
- Additional Medicare reimbursement cuts to Hospitals, Nursing Homes, and Inpatient rehabilitation facilities begin.
- New tax on all health insurance policies, including Medicare Supplement policies and Medicare Advantage policies to pay for the "Comparative Effectiveness Research" panel established in the Stimulus Bill. This is often referred to as the "Death Panel".
- No longer allowed to use FSA, HSA, HRA, Archer MSA distributions for over-the counter medicines.
- Impose new annual tax on brand name pharmaceutical companies. Everyone knows this cost will be passed on to the consumer, raising prescription cost even more.
- Penalties for non-qualified HSA and Archer MSA distributions double (to 20%)
- Brand name drug companies begin providing 50% discount in the Part D "donut hole"
- 10% Medicare bonus payment for primary care and general surgery (5 years)
- Steps towards health insurance administrative simplification (reduced paperwork, etc) begins (5 yr process)
- Additional funding for community health centers (5 years)

2012

- Medicare cuts to Advantage Plans resume. The goal is to eventually eliminate all Advantage plans and force low income seniors onto Medicaid.
- Medicare cuts to Dialysis treatments begin. Seniors will have to pay the difference or have supplemental insurance that will cover the cost. This will further increase the cost of Medicare Supplement Insurance.
- Additional Medicare cuts to inpatient psychology hospitals effective 07-01-2012.
- Medicare cuts to Hospitals with high readmission rates begin. The "Centers for Medicare and Medicaid Services", which oversees the government programs, begin tracking hospital readmission rates and puts in place financial incentives to reduce preventable readmissions. Our view; It means some patients with chronic conditions that cause frequent readmissions may be turned away so the hospital can avoid the negative designation resulting in a paid incentive from the government.
- Medicare cuts for Hospice begin. Our view; End of life will be more painful.
- Require information reporting on payments to corporations.
- Medicare to reduce spending by using an HMO-like coordinated care model (Accountable Care Organizations) Physician payment reforms are implemented in Medicare to enhance primary care services and encourage doctors to form "accountable care organizations" to improve quality and efficiency of care. Doctors who do not conform will face punitive measures. These have not been fully established yet. The cost of these will be another hidden tax on consumers.
- Medicare Advantage plans with a 4 or 5 star rating receive a quality bonus payment.
- Hospital pay-for-quality program begins (FY13)

2013

- Increase Medicare wage tax by 0.9% for everyone making over \$200k.
- Impose a new 3.8% tax on unearned, non active business income (investments) for those earning over (including seniors with investments) \$200k / \$250k not indexed to inflation, meaning as time goes on, more and more will fall into this category.
- Generally increases the threshold at which medical expenses can be deducted from income from 7.5% to 10%.

- Imposes a 2.3% excise tax on medical devices. This cost will be passed on to anyone who requires them, mainly seniors.
- More Medicare cuts to hospitals who treat low income seniors. Seniors will have to pay the difference or have supplemental insurance that will cover the cost. This will further increase the cost of Medicare Supplement Insurance.
- Impose \$2,500 annual cap on HSA contributions (indexed to CPI)
- Eliminate deduction for Part D retiree drug subsidy employers receive.
- Post-acute pay for quality reporting begins.
- CO-OP Program: Secretary awards loans and grants for establishing nonprofit health insurers
- \$500,000 deduction cap on compensation paid to insurance company employees and officers.
- Part D "donut hole" reduction begins, reaching a 25% reduction by 2020.

2014

- Individuals (including seniors) without government approved coverage are subject to a tax of the greater of \$695 or 2.5% of income. Our view; In most cases the individuals will find it less expensive to pay the fine instead of paying for the insurance. Because no insurance company can deny coverage for preexisting medical conditions, the insurance companies will have no choice but to give each person coverage when they get sick or are diagnosed with a disease such as cancer. President Obama and the Democrats prefer this, because it potentially puts an additional \$3695 per year, per person, in the government coffers (when you add the \$2,000 fine for employers for not providing coverage). This means the insurance companies will not be receiving the money, consequently speeding their demise. Just another method to bring in the single payer government system so desired by the existing government.
- More Medicare cuts to Home Health care begin. Seniors will have to pay the difference or have supplemental insurance that will cover the cost. This will further increase the cost of Medicare Supplement Insurance.
- The new government board created by the Healthcare bill, IPAB, begins submitting proposals to cut Medicare even more.
- Medicare payment cuts for hospital acquired infections begin. This is a plus.
- Employers who fail to offer "affordable" coverage would pay a \$3,000 penalty (as decided by the health commissioner. This is ripe for political pay back to companies who support an opposing party). This penalty will be assessed for every employee that receives a subsidy through the Exchange.
- Employers who do not offer insurance must pay a tax (fine) penalty of \$2,000 for every full time employee.
- States must have established Exchanges
- Employers with more than 200 employees can auto-enroll employees in health coverage, with opt-out.
- All non-grandfathered and Exchange health plans required to meet federally mandated levels of coverage. State mandates are the major cause of higher health insurance costs (50% of the non inflation cost increases). The Feds will now require all mandates be covered by all plans which will drive the cost of insurance up by 300% in many states.
http://www.cahi.org/cahi_contents/resources/pdf/HealthInsuranceMandates2009.pdf
- States must cover parents /childless adults up to 138% of poverty on Medicaid, receive increased FMAP
- Tax credits available for Exchange-based coverage, amount varies by income up to 400% of poverty.
- Insurers cannot impose any coverage restrictions on pre-existing conditions (guaranteed issue/renewability)

- Modified community rating: individual or family coverage; geography; 3:1 ratio for age; 1.5 :1 for smoking
- Insurers must offer coverage to anyone wanting a policy and every policy has to be renewed
- Limits out-of-pocket cost-sharing (tied to limits in HSAs, currently \$5,950/\$11,900 indexed to COLA)
- Insurance plans must include government defined "essential benefits" and coverage levels. The President has previously said he considers abortion as an essential benefit.
- OPM must offer at least two multi-state plans in every state
- Employers can offer some employees free choice vouchers for health insurance in the Exchange.
- Imposes tax on nearly all private health insurance plans. This is another method to further reduce the number of private insurers and speed the implementation of a single payer government run health care plan.

2015

- More Medicare cuts to Home health care.

2016

- The real cost to the states begin. All the additions to Medicaid and the associated cost will now fall on each state. This means huge tax increases for anyone in the state who is paying taxes, seniors included. The Medicaid program SCHIP was expanded to \$82 billion in 2009 by Obama and the legislature. To insure the supposed 32 million uninsured, half of them will be put on Medicaid. The cost will be paid by the Federal government until 2016. It then falls to the states to fund it at a rate of 5% the first year and increasing 10% a year each year after until they are funding the full amount. This will further break the budgets of all states and will take up to 70% of present state budgets. One of the worst hit states will be Nevada, home of Senate Boss, Harry Reid. His state will see the Medicaid budget expand by \$613 million according to Nevada Governor Jim Gibbons. This forces all state taxpayers to fund the cost of the uninsured. The worst hit states will be Nevada, Ohio, Michigan and California. Federal Courts have declared that "state participation in the Medicaid program is voluntary"; Consequently, many states may simply opt out of Medicaid to save the money. This would leave many of the poor in the state uninsured.
- States can form interstate insurance compacts if the coverage meets with HHS approval

2017

- Physician pay-for-quality program begins for all physicians.
- States may allow large employers and multi-employer health plans to purchase coverage in the Exchange.
- States may apply to the Secretary for a limited waiver from certain federal requirements.

2018

- Impose "Cadillac tax" on "high cost" plans, which is 40% of the benefit value above a certain threshold; (\$10,200 for individual coverage and \$27,500 for family or self only union multi employer coverage. By 2018 the above rates will not be considered high cost. This will in effect put many people into the "high cost" plan area who will consequently get taxed.

2019

THE REAL COST OF THE HEALTHCARE BILL?

The real cost of the bill from 2014 to 2024 is \$2.6 trillion dollars. This is based on real accounting from Rep. Paul Ryan (R-WI) and independent firms. This includes the cost of the "Doc Fix". This does not include the billions of dollars that will be passed on to the states for Medicaid by 2019 of \$300 plus billion

dollars. This also does not include all the indirect taxes and fees that will be passed on to consumers. Now add in the billions of dollars in fraud and corruption associated with Government run programs and the real cost becomes staggering. All of this additional cost will force the government to levy a tax on all consumers. Even with this it will likely bankrupt the country and force the US into third place as a world economy by 2024. See <http://www.lowcostinsur.com/articles/Economy/CBO%20-%20Obama%20deficit%2020%20Trillion.pdf>

The absence of Legal reform will also help speed the demise of the entire health care industry. Costs will continue to skyrocket. Because the Senate bill 3590, does nothing to control costs, they will increase dramatically. Eventually, the general public becomes so fatigued with cost, they succumb to the governments will and accept a single payer system. Only after the single payer system is accomplished will a socialist form of government go after cost. This will include cost controls on doctors and hospitals. The two panels set up in the stimulus bill will be the watchdogs over which procedures can be used and who will get them.

Legal corruption in Washington D.C. - Only in the U.S. house and Senate are bribes and the purchase of votes legal.

- Bart Stupak (D-MI) accepts \$750,000 in funding for an airport and the promise of a presidential order to ban funds for abortion. The order can be negated at any time.
- Stupak Eleven sell Healthcare votes for \$4.7 Billion
<http://www.lowcostinsur.com/articles/national%20healthcare/Stupak%2011%20sell%20healthcare%20votes.pdf>
- Byron Nelson (D-NE) receives the famous "Cornhusker Kickback" for Nebraska. \$100 million in reduced Medicaid costs.
- Mary Landrieu (D-LA) \$100 million for Louisiana Medicaid when other states must pay out more.
- Allen Boyd (D-FL) and Suzanne Kosmas (D-FL) now called the "Gator Aid Deal" gets 800 million Florida residents exempted from the cuts in Medicare Advantage Plans. These plans will mostly be eliminated for all other states.
- Baron Hill (D-IN) got a deal to reduce the new medical device tax from 2.9% to 2.3% and a 2 year delay in the implementation of the tax for companies that produce these devises in his district.
- Brad Ellsworth(D-IN)got a deal to reduce the new medical device tax from 2.9% to 2.3% & a 2 yr. delay in the implementation of the tax for companies that produce these devises in his district.
- Scott Murphy (D-NY) got a deal to reduce the new medical device tax from 2.9% to 2.3% and a 2 yr. delay in the implementation of the tax for companies that produce these devises in his district.
- Jim Costa (D-CA)will receive special considerations of health insurance offerings for agricultural employers of seasonal workers. (meaning less coverage and lower cost)
- Peter DeFazio (D-OR) will receive millions in additional Medicare payments for doctors and hospitals in rural areas.
- Ron Kind (D-WI) will receive millions in additional Medicare payments for doctors and hospitals in rural areas.
- Bart Gordon (D-TN) \$100 million in funding for hospitals that treat poor people in Tennessee.
- Luis Gutierrez (D., Ill.) was promised by Obama that there would be a major push for Illegal Alien Amnesty. (Many believe Obama wants this to be done before the Nov. elections so he can add 12 million more votes to his side of the ballot.)

WHAT CAN A CONSUMER DO?

The Democrats have intimated their bill will be extremely hard to reverse and can only be done with a super majority in the house and senate and a president of the same party. This is not likely to happen. They believe that ten years from now, even if they lose their majority this year they will be able to again expand the bill and add others. The goal seems to be to destroy the constitution and will of the citizens of the U.S. As Rev. Al Sharpton said on 3-22-2010; "***well first of all, you would have to say the American public overwhelmingly voted for socialism when they voted for Barack Obama. Let's not act as***

though the president didn't tell the American people, the president promised the American people health reform, when he ran he was overwhelmingly elected, and he has delivered what he promised". Click here; http://www.youtube.com/watch?v=w7JNbawwGPY&feature=player_embedded

The only thing we can do is vote anyone out of office who voted for this bill. You can protest and do anything possible, such as contributing to the campaigns of anyone who believes in a government the Founders of our Constitution wanted. The Founding Fathers were tired of the Tyranny and oppression of Big Government and wanted minimal central government with rights to the states.

We all wanted health care reform; not socialism, not control of our lives, not decreased services for seniors, not inferior care ten years later and certainly not special considerations for lawyers who will thrive on this bill.