



## **The Patient Protection and Affordable Care Act**

The Patient Protection and Affordable Care Act will ensure that all Americans have access to quality, affordable health care and will create the transformation within the health care system necessary to contain costs. The Congressional Budget Office (CBO) has determined that the Patient Protection and Affordable Care Act is fully paid for, will provide coverage to more than 94 percent of Americans while staying under the \$900 billion limit that President Obama established, bending the health care cost curve, and reducing the deficit over the next ten years and beyond.

### **Quality, Affordable Health Care for All Americans**

- ✓ The Patient Protection and Affordable Care Act includes immediate changes to the way health insurance companies do business to protect consumers from discriminatory practices and provide Americans with better preventive coverage and the information they need to make informed decisions about their health insurance.
- ✓ Uninsured Americans with a pre-existing condition will have access to an immediate insurance program to help them avoid medical bankruptcy and retirees will have greater certainty due to reinsurance provisions to help maintain coverage.
- ✓ New health insurance Exchanges will make coverage affordable and accessible for individuals and small businesses. Premium tax credits and cost-sharing assistance will help those who need assistance.
- ✓ Insurance companies will be barred from discriminating based on pre-existing conditions, health status, and gender.

### **The Role of Public Programs**

- ✓ The Patient Protection and Affordable Care Act expands eligibility for Medicaid to include all non-elderly Americans with income below 133 percent of the Federal Poverty Level (FPL), with substantial assistance to States for the cost of covering these individuals.

### **Improving the Quality and Efficiency of Health Care**

- ✓ Congress is committed to protecting and strengthening the Medicare program for America's seniors. Medicare is a sacred trust with seniors and people with disabilities, and the Patient Protection and Affordable Care Act will ensure that trust is preserved. The cost of inaction is unacceptable for seniors and the Medicare program that serves them; without action, the Medicare hospital insurance trust fund is expected to go broke in just over seven years. The Patient Protection and Affordable Care Act will make Medicare a stronger, more sustainable program.
- ✓ Medicare currently reimburses health care providers on the basis of the volume of care they provide rather than the value of care. For each test, scan or procedure conducted, Medicare provides a separate payment, rewarding those who do more, regardless of whether the test or treatment contributes to helping a patient recover. The Patient Protection and Affordable Care Act includes a number of proposals to move away from the "a la carte" Medicare fee-for-service system toward paying for quality and value and reducing costs to America's seniors.

### **Prevention of Chronic Disease and Improving Public Health**

- ✓ The Patient Protection and Affordable Care Act promotes preventive health care and improves the public health to help Americans live healthy lives and help restrain the growth of health care costs over time. The Patient Protection and Affordable Care Act will eliminate co-pays and deductibles for recommended preventive care, provide individuals with the information they need to make healthy

decisions, improve education on disease prevention and public health, and invest in a national prevention and public health strategy.

### **Health Care Workforce**

- ✓ Currently, 65 million Americans live in communities where they cannot easily access a primary care provider, and an additional 16,500 practitioners are required to meet their needs. The Patient Protection and Affordable Care Act will address shortages in primary care and other areas of practice by making necessary investments in our nation's health care workforce. Specifically, the Patient Protection and Affordable Care Act will invest in the National Health Service Corps, scholarship and loan repayment programs to expand the health care workforce. The bill also includes incentives for primary care practitioners and for providers to serve underserved areas.

### **Transparency and Program Integrity**

- ✓ The Patient Protection and Affordable Care Act will provide consumers with information about physician ownership of hospitals and medical equipment as well as nursing home ownership and other characteristics. The bill also includes provisions that will crack down on waste, fraud, and abuse in Medicare, Medicaid, CHIP and private insurance. Finally, the Patient Protection and Affordable Care Act will establish a private, non-profit entity to identify priorities for and provide for the conduct of comparative outcomes research.

### **Improving Access to Innovative Medical Therapies**

- ✓ The Patient Protection and Affordable Care Act will establish a regulatory pathway for FDA approval of biosimilar versions of previously licensed biological products. The Patient Protection and Affordable Care Act will also expand the scope of the existing 340B drug discount program, so that patients at children's hospitals, cancer hospitals, rural hospitals and in other underserved communities have access to medicines at lower cost.

### **Community Living Assistance Services and Supports (CLASS)**

- ✓ The Patient Protection and Affordable Care Act will make long-term supports and services more affordable for millions of Americans by providing a lifetime cash benefit that will help people with severe disabilities remain in their homes and communities. CLASS is a voluntary, self-funded, insurance program provided through the workplace. For those whose employers participate, affordable premiums will be paid through payroll deductions. Participation by workers is entirely voluntary. The Congressional Budget Office confirms that the program, which has been revised from earlier versions, is actuarially sound.

### **Revenue Provisions**

- ✓ The Patient Protection and Affordable Care Act is fully paid for and reduces the deficit in the next ten years and beyond. The revenue provisions in the bill focus on paying for reform within the health care system. This is accomplished by tightening current health tax incentives, collecting industry fees, and slightly increasing the Medicare Hospital Insurance tax for high income earners. The bill also includes a fee on insurance companies when they sell high cost health insurance plans. This fee is designed to generate smarter, more cost-effective health coverage choices. Additional changes to health care tax incentives include capping FSA contributions, conforming definitions of deductible medical expenses and changing penalties for HSA spending that is not devoted to health care. The industry fees reflect responsible contributions from industries who have long profited from health care and who will benefit from the expanded coverage of millions of additional Americans under health care reform. The bill also contains a 0.5% increase in the Medicare Hospital Insurance tax for individuals who earn more than \$200,000 and couples who earn over \$250,000. This tax will not only help fund health care reform, but will also extend the solvency of the Medicare Trust Fund.

Together, these revenue provisions represent a balanced, responsible package of proposals that bend the health care cost curve by putting downward pressure on health spending.