<table>
<thead>
<tr>
<th>Provision</th>
<th>Description</th>
<th>Implementation Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immediate Access to Insurance for Uninsured Individuals with a Pre-Existing Condition</td>
<td>Provides eligible individuals access to coverage that does not impose any coverage exclusions for pre-existing health conditions.</td>
<td>Effective 90 days after enactment</td>
</tr>
<tr>
<td>Small Business Tax Credit</td>
<td>Initiates the first phase of the small business tax credit for qualified small employers for contributions to purchase health insurance for employees. The credit is up to 35 percent of the employer's contribution to provide health insurance for employees. There is also up to 25 percent credit for small nonprofit organizations. (Later when exchanges are operational, tax credits will be up to 50 percent of premiums.)</td>
<td>Effective calendar year 2010</td>
</tr>
<tr>
<td>Rebates for the Medicare Part D &quot;Donut Hole&quot;</td>
<td>Provides a $250 rebate check for all Part D enrollees who enter the donut hole. Currently, the coverage gap falls between $2,830 and $6,440 in total drug spending. (Beginning in 2011, institutes a 50 percent discount on brand-name drugs and begins generic coverage in the donut hole; fills the donut hole by 2020.)</td>
<td>Effective calendar year 2010</td>
</tr>
<tr>
<td>Elimination of Lifetime Limits</td>
<td>Prohibits insurers from imposing lifetime limits on benefits.</td>
<td>Effective six months after enactment and applying to all plans</td>
</tr>
<tr>
<td>Extension of Payment Protections for Rural Providers</td>
<td>Extends Medicare payment protections for small rural hospitals, including hospital outpatient services, lab services and facilities that have a low-volume of Medicare patients, but play a vital role in their communities.</td>
<td>Effective calendar year 2010</td>
</tr>
<tr>
<td>New Requirements for Nonprofit Hospitals</td>
<td>Establishes new requirements applicable to nonprofit hospitals beginning in 2010, including periodic community needs assessments.</td>
<td>Effective on the date of enactment</td>
</tr>
<tr>
<td>Special Deduction for Blue Cross Blue Shield (BCBS)</td>
<td>Requires that nonprofit BCBS organizations have a medical loss ratio of 85 percent or higher in order to take advantage of the special tax benefits provided to them under Internal Revenue Code (IRC) Section 833, including the deduction for 25 percent of claims and expenses and the 100 percent deduction for unearned premium reserves.</td>
<td>Effective for tax years beginning after December 31, 2009</td>
</tr>
<tr>
<td>Discounts in the Part D &quot;Donut Hole&quot;</td>
<td>Provides a 50 percent discount on all brand-name drugs and biologics in the donut hole and begins phasing in additional discounts on brand-name and generic drugs to completely fill the donut hole by 2020 for all Part D enrollees.</td>
<td>Effective January 1, 2011</td>
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<tr>
<td>Event Description</td>
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<td>Effective Date</td>
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<tr>
<td><strong>Increase of Reimbursement for Primary Care</strong></td>
<td>Provides a 10 percent Medicare bonus payment for primary care physicians and general surgeons.</td>
<td>Effective January 1, 2011</td>
</tr>
<tr>
<td><strong>Transition to Reformed Payments in Medicare Advantage</strong></td>
<td>Freezes 2011 Medicare Advantage payment benchmarks at 2010 levels to begin transition. Continues to reduce Medicare Advantage benchmarks in subsequent years relative to current levels. Benchmarks will vary from 95 percent of Medicare spending in high-cost areas to 115 percent of Medicare spending in low-cost areas with higher benchmarks for high-quality plans. Changes are phased-in over three, five or seven years, depending on the level of payment reductions.</td>
<td>Effective January 1, 2011</td>
</tr>
<tr>
<td><strong>Pharmaceutical Manufacturers Fee</strong></td>
<td>Imposes an annual, non-deductible fee on the pharmaceutical manufacturing industry allocated according to market share and not applying to companies with sales of branded pharmaceuticals of $5 million or less.</td>
<td>Effective for tax years beginning after December 31, 2010</td>
</tr>
<tr>
<td><strong>Accountable Care Organizations</strong></td>
<td>Implements physician payment reforms that enhance payment for primary care services and encourage physicians to join together to form “accountable care organizations” to gain efficiencies and improve quality.</td>
<td>2012</td>
</tr>
<tr>
<td><strong>Linkage of Payment to Quality Outcomes</strong></td>
<td>Establishes a hospital value-based purchasing program to incentivize enhanced quality outcomes for acute care hospitals. Also, requires the Secretary to submit a plan to Congress by 2012 on how to move home health and nursing home providers into a value-based purchasing payment system.</td>
<td>2012</td>
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<tr>
<td><strong>Reduction of Avoidable Hospital Readmissions</strong></td>
<td>Directs CMS to track hospital readmission rates for certain high-cost conditions and implements a payment penalty for hospitals with the highest readmission rates.</td>
<td>2012</td>
</tr>
<tr>
<td><strong>Increase of Medicaid Payment for Primary Care</strong></td>
<td>Requires states to pay primary care physicians the same rate Medicare pays and fully federally funds any additional state costs.</td>
<td>2012</td>
</tr>
<tr>
<td><strong>Medical Device Excise Tax</strong></td>
<td>Establishes a 2.3 percent excise tax on the first sale for use of a medical device. Excepted from the tax are eye glasses, contact lenses, hearing aids and any device of a type that is generally purchased by the public at retail for individual use.</td>
<td>2013</td>
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<tr>
<td><strong>Elimination of Annual Limits</strong></td>
<td>Prohibits insurers from imposing annual limits on the amount of coverage an individual may receive.</td>
<td>2014</td>
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<tr>
<td><strong>Establishment of Health Insurance Exchanges</strong></td>
<td>Opens health insurance Exchanges in each state to the individual and small group markets. This new venue will enable people to comparison shop for standardized health packages. It facilitates enrollment and administers tax credits so that people of all incomes can obtain affordable coverage.</td>
<td>2014</td>
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<td><strong>Promotion of Individual Responsibility</strong></td>
<td>Requires most individuals to obtain acceptable health insurance coverage or pay a penalty of $95 for 2014, $325 for 2015, $695 for 2016 (or, up to 2.5 percent of income in 2016), up to a cap of the national average bronze plan premium. Families will pay half the amount for children, up to a cap of $2,250 per family. After 2016, dollar amounts are indexed. If affordable coverage is not available to an individual, they will not be penalized.</td>
<td>2014</td>
</tr>
<tr>
<td><strong>Promotion of Employer Responsibility</strong></td>
<td>Requires employers with 50 or more employees who do not offer coverage to their employees to pay $2,000 annually for each full-time employee over the first 30 as long as one of their employees receives a tax credit. Precludes waiting periods over 90 days. Requires employers who offer coverage but whose employees receive tax credits to pay $3,000 for each worker receiving a tax credit up to an aggregate cap of $2,000 per full-time employee.</td>
<td>2014</td>
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<tr>
<td><strong>Increasing Access to Medicaid</strong></td>
<td>Medicaid eligibility will increase to 133 percent of poverty for all non-elderly individuals to ensure that people obtain affordable health care in the most efficient and appropriate manner. States will receive 100 percent federal funding for the first three years of this coverage expansion.</td>
<td>2014</td>
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<tr>
<td><strong>Small Business Tax Credit</strong></td>
<td>Implements the second phase of the small business tax credit for qualified small employers.</td>
<td>2014</td>
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<tr>
<td><strong>Cadillac Tax</strong></td>
<td>Imposes an excise tax of 40 percent on insurance companies and plan administrators for any health insurance plan that is above the threshold of $10,200 for self-only coverage and $27,500 for family plans. The tax would apply to the amount of the premium in excess of the threshold. The threshold would be indexed at CPI-U plus one percentage point for 2019 and CPI for years thereafter. An additional threshold amount of $1,650 for singles and $3,450 for families is available for retired individuals over the age of 55 and for plans that cover employees engaged in high risk professions. Employers with higher costs on account of the age or gender demographics of their employees when compared to the age and gender demographics nationally may adjust their thresholds even higher.</td>
<td>2018</td>
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*Source: DPC Implementation Guideline*