



Manager's Amendment to the Patient Protection and Affordable Care Act

Providing More Competition & Affordable Choices for Americans

The Manager's Amendment to the *Patient Protection and Affordable Care Act* builds upon the strong bill we already have. It demands greater accountability from health insurance companies while creating more choice and competition for consumers. It implements new programs to further rein in health costs and makes health insurance policies more affordable; and it improves access to quality, affordable health care for children and vulnerable populations.

Tougher Accountability Policies for Health Insurance Companies

- ✓ **Stronger medical loss ratios.** Health insurers will be required to spend more of their premium revenues on clinical services and quality activities, with less going to administrative costs and profits – or else pay rebates to policyholders. These stricter limits will continue even after the Exchanges begin in 2011, and apply to all plans, including grandfathered plans.
- ✓ **Accountability for excessive rate increases.** A health insurer's participation in the Exchanges will depend on its performance. Insurers that jack up their premiums before the Exchanges begin will be excluded – a powerful incentive to keep premiums affordable.
- ✓ **Immediate ban on pre-existing condition exclusions for children.** Health insurers will be immediately prohibited from excluding coverage of pre-existing conditions for children.
- ✓ **Patient protections.** Health insurers will have to abide by a set of patient protections that, for example, protect choice of doctors and ensure access to emergency care.
- ✓ **Ensuring access to needed care.** The use of annual limits on benefits will be tightly restricted to ensure access to needed care immediately, and will be prohibited completely beginning in 2014.
- ✓ **Guaranteed opportunity to appeal coverage denials.** All health insurers will be required to implement an internal appeals process for coverage denials, and states will ensure the availability of an external appeals process that is independent and holds insurance companies accountable.

Stronger Policies to Make Health Care Affordable

- ✓ **Innovation.** Medicare will be able to test new models and, if successful, implement them via a stronger Innovation Center, Independent Payment Advisory Board, and other authorities.
- ✓ **Transparency.** New requirements will ensure that insurers and health care providers report on their performance, empowering patients to make the best possible decisions.
- ✓ **Small businesses.** A package of improvements include starting the health insurance tax credit in 2010, expanding eligibility for the credit, and improving the purchasing power of small businesses.

More Health Insurance Choices

- ✓ **Multi-state option.** Health insurance carriers will offer plans under the supervision of the Office of Personnel Management, the same entity that oversees health plans for Members of Congress. At least one plan must be non-profit, and the plans will be available nationwide. This will promote competition and choice.
- ✓ **Free choice vouchers.** Workers who qualify for an affordability exemption to the individual responsibility policy but do not qualify for tax credits can take their employer contribution and join an exchange plan.

Improved Access to Quality Health Care for Seniors, Children, and Vulnerable Populations

- ✓ **Quality of care in Medicare.** Seniors will benefit when additional health care providers are reimbursed by Medicare for the quality of care they deliver, not the quantity of services they provide.
- ✓ **Children's health.** Support will be extended for the Children's Health Insurance Program and the adoption tax credit. Foster care children aging out of Medicaid will be able to retain its comprehensive coverage.
- ✓ **Community Health Centers.** A substantial investment in Community Health Centers will provide funding to expand access to health care in communities where it is most needed
- ✓ **Rural and underserved communities.** Access will be expanded through funding for rural health care providers and training programs for physician and other types of health care providers.
- ✓ **Vulnerable populations.** A range of new programs will tackle diseases such as cancer, diabetes, and children's congenital heart disease, will improve the Indian Health System, and will provide support for pregnant teens and victims of domestic violence.

Identifying Alternatives to Litigation

- ✓ **Testing new models.** States will be eligible for grants to test alternatives to civil tort litigation that emphasize patient safety, disclosure of health care errors, and early resolution of disputes, with a provision for patients to opt-out of these alternatives at any time. Alternatives will be evaluated to determine their effectiveness.



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Enhancing Affordable Choices for Small Businesses

The Manager's Amendment to the Patient Protection and Affordable Care Act will strengthen the provisions in the underlying bill to provide quality, affordable health care options for small businesses.

Expanding Small Business Health Care Affordability Tax Credits

- ✓ The Patient Protection and Affordable Care Act will provide tax credits to small businesses to help them provide health insurance for their employees. These tax credits will make health insurance more affordable for small businesses and their employees.
- ✓ The Manager's Amendment will expand the existing small business tax credits in the underlying bill.
 - The small business tax credits will begin a year earlier – in 2010 – giving eligible small businesses access to up to six years of tax credits to purchase health insurance for their employees and ensuring immediate access to tax credits for eligible small businesses.
 - The wage thresholds for small business tax credits will be expanded. The credits will be available on a sliding scale to small businesses with fewer than 25 employees and average annual wages of less than **\$50,000**. The full credit will be available to employers with 10 or fewer employees and average annual wages of less than **\$25,000**. These changes will help more small businesses will qualify for the tax credit and the tax credit will phase out more slowly as average annual wages increase.

Ensuring Small Business Administration Resource Partners Are Eligible for Awareness Grants

- ✓ The Patient Protection and Affordable Care Act lists Small Business Development Centers as eligible recipients of Exchange public awareness grants.
- ✓ The Manager's Amendment will include all Small Business Administration partners in the program, including: Women's Business Centers, SCORE, Minority Business Centers, Veteran Business Centers, and others.

Reviewing the Impact of Reform on Small Businesses

- ✓ The Manager's Amendment requires the Government Accountability Office (GAO) to specifically review the impact of Exchanges on access to affordable health care for small businesses to ensure that Exchanges are indeed making a difference for small business owners.

Adhering to Small Business Contracting Regulations

- ✓ The Manager's Amendment clearly states that agencies cannot waive the Federal Acquisition Regulation, which requires them to report small business contracting numbers and meet small business contracting goals of 23 percent.

Clarifying Part-Time Worker Definition

- ✓ The Manager's Amendment modifies the definition of a full-time employee to 390 hours per calendar quarter (13 weeks) instead of the current definition of 30 hours per week on average. This would take into account fluctuation in employee hours, and reduce the impact of employer responsibility requirements for industries with high turnover and that rely on part-time employees to sustain their business.

Small Business Representation on Workforce Commission

- ✓ The Patient Protection and Affordable Care Act establishes a national workforce commission to gather information on the health care workforce and better coordinate and implement workforce planning and analysis.
- ✓ The Manager's Amendment ensures that small businesses will be represented on the commission.

Increasing Access to Workplace Wellness Programs

- ✓ The Manager's Amendment authorizes grants to help small business employees access comprehensive workplace wellness programs.