

Representative Rothman: Provisions of the Affordable Care Act that Come into Effect January 1, 2011

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Washington, DC -- A number of key provisions of the Affordable Care Act come into effect today, January 1, 2011. These include measures that will ensure insurance companies spend a greater percentage of premiums on patients and their subscribers instead of CEO salaries. The Affordable Care Act also puts policies into place that will allow Seniors to have access to free preventative health care services as well as helping close the donut hole for prescription coverage.

Here is a selection of facts and provisions concerning the Affordable Care Act (more information on the implementation of this legislation is available at HealthCare.gov):

For all health care consumers:

- Health insurance companies are now required to spend 80 to 85 percent of premiums on health care and quality improvements for patients-not on overhead or CEO salaries. Insurers who have not redirected premiums so that at least 80 percent goes to customer care will be required to provide a rebate to their customers starting in 2012.

For seniors:

- Increasing Reimbursement for Primary Care - Provides a 10 percent Medicare bonus payment for primary care physicians and general surgeons.
- Seniors

who reach the doughnut hole coverage gap for prescription drugs will receive a 50 percent discount when buying brand-name medications. Over the next ten years, seniors will receive additional discounts until the coverage gap is closed.

- Preventative

Care - Seniors will receive free preventative services, such as annual checkups and certain preventative screenings.

- The

Community Care Transitions Program will help high-risk Medicare beneficiaries who are hospitalized avoid unnecessary readmissions by coordinating care and connecting patients to services in their communities.

- The

Center for Medicare and Medicaid Innovation will begin testing new ways of delivering care to patients. These new methods are expected to improve the quality of care and reduce the rate of growth in costs for Medicare and Medicaid.

Already the Affordable Care Act has

opened up access to quality health care and helped small companies provide health insurance to their employees. Provisions that took effect in 2010 include:

- Prohibiting

denial of coverage to children who were excluded due to pre-existing conditions

- Extending

coverage to young adults up to age 26 so they can stay covered as they start their careers

- Delivering

tax relief for small businesses to help them continue to provide health insurance to their workers

- Creating

a system to help early retirees not yet eligible for Medicare keep their savings and stay insured

- Requiring

all new plans to provide free preventative screenings including mammograms and colonoscopies

- Ending

insurance companies' ability to rescind coverage when people get sick or impose lifetime caps on those with chronic illness

- Investing

millions into community health programs and helping states provide coverage for low-income families through Medicaid

