PETE SESSIONS U.S. CONGRESSMAN

32nd District of Texas

TAX CHANGES	
2010	• **New Tax Credit for Limited Number of Small Businesses:** Maximum credit of 35% of employers insurance premiums is only available to those with fewer than 10 employees with wages of under $25 k per employee. Credit completely phased-out for firms with more than 25 employees and wages above $50 k. • **Tanning Tax:** 10% tax on indoor UV tanning
2011	• **HSA/FSA:** Prevent HSA and FSA Owners from Using Funds for Over-the-Counter Medicine (Raises $5 B) • **New Drug Tax:** New Tax on Brand-name Drugs (Raises $27 B) • **W-2 Forms:** Requires employers to disclose the value of the benefit provided by the employer for each employee's health insurance coverage on the employee's annual W-2 Form.
2013	• **Medicare Payroll Tax:** Increases the Medicare Payroll Tax by 0.9% to 3.8% for those with earned income above $200 k / $250 k joint (Raises $86.8 B) • **New Investment Tax:** Impose New Tax on Investment Income of 3.8% for with income above $200 k / $250 k joint (Raises $123.4 B) • **New Medical Device Tax:** New 2.3% Tax on Non-Retail Medical Devices (Raises $20 B) • **FSA Limits:** Limit Contributions to Flexible Spending Accounts (FSAs) to $2,500 (Raises $13 B) • **Eliminate Deduction for Employer Expenses for Medicare Drug Subsidies** (Raises $4.5 B) • **Medical Expense Deduction:** Raise the Threshold for Deducting Medical Expenses From 7.5% to 10% (Raises $15.2 B)
2014	• **New Individual Mandate Begins:** Individual must purchase insurance or face tax penalties, once fully-phased-in, of up to $695 or 2.5% of income (whichever is greater). • **New Employer Mandate Begins:** Employers with more than 50 employees who do not offer insurance or who offer coverage but their employees receive a federal insurance subsidy to pay a penalty of up to $2,000 per employee for each employee over 30 employees. • **New Insurance Subsidies Available:** For individual or families above the Medicaid eligibility cutoff, but below 400% of poverty (currently $88,200 for a family of four) who are not offered or eligible for other insurance coverage, a tax credit is available to purchase insurance through the new government exchanges. • **New Annual Tax on Health Insurance Providers** (Raises $60 B)
2018	• **New "Cadillac" Tax:** 40% Excise tax on High-Cost ("Cadillac") Insurance Plans (Raises $32 B)

SENIORS	
2010	• **Medicare Cuts to Hospitals:** begin for long-term care and inpatient and rehabilitation facilities
2011	• **Medicare Advantage Cuts Begin** • **Seniors Rebate:** $250 check for senior who enter the prescription drug "donut hole." • **"Doughnut Hole":** Drug discounts for those in the Part D "donut hole" begin. • **Wealthier seniors ($85k/$170k):** begin paying higher Medicare Part D premiums (not indexed for inflation in Parts B/D) • **Medicare Imaging Cuts:** Medicare reimbursement cuts when seniors use diagnostic imaging like MRIs, CT scans, etc. • **Medicare cuts to ASCs/DME:** Medicare cuts begin to ambulance services, ASCs, diagnostic labs, and durable medical equipment • **Wheelchairs:** Seniors prohibited from purchasing power wheelchairs unless they first rent for 13 months
2012	• **Eliminate Deduction for Employer Expenses for Medicare Drug Subsidies** (Raises $4.5 B) • **Medical Expense Deduction:** Raise the Threshold for Deducting Medical Expenses From 7.5% to 10% (Raises $15.2 B) • **Hospice:** Medicare cuts to hospice begin. • **Dialysis:** Medicare cuts to dialysis treatment begins
2014	• **Medicare Board:** Independent Payment Advisory Board begins submitting proposals to cut Medicare, will cut Medicare by $15.5 Billion from 2015-2019, and by hundreds of billions in future years
2015	• **Home Health:** permanent productivity cut to payment rate of home health agencies

INSURANCE CHANGES	
2010	• **High-Risk Pool for Pre-existing Conditions:** Funding is limited and individuals may be placed on waiting lists • **Pre-existing Conditions for Children:** Limited protections to preclude insurance from excluding children with pre-existing conditions • **Lifetime benefit limits and annual caps:** Insurers prohibited from including lifetime benefit limits on policies and prohibits the use of restrictive annual limits. • **Rescissions:** Insurers prohibited from rescinding insurance policies. • **Cost-sharing Prohibition:** Cost-sharing for preventive services are prohibited. • **Dependent Coverage:** Insurers are required to offer dependent coverage up to age 26. • **Medical Loss Ratios:** Insurers must annually report on the share of premium dollars spent on medical care and provide consumer rebates for medical loss ratios determined to be "excessive." • **Administrative/Appeals Process:** ERISA covered plans must establish new appeals process
2011	• **CLASS ACT auto-enroll:** Employer auto-enrollment for the CLASS Act.
2014	• **Exchanges:** States have to establish Exchanges no later than this date for the sale of qualified health benefits plans to individuals and small employers. • **Reinsurance and Risk Adjustment:** States must first institute temporary reinsurance for individual and small group and then transition to risk adjustment. • **Multi-State Plans:** OPM must offer at least two multi-state plans in every state that meets the requirements of the exchange and have a separate risk pool from the FEHBP. • **Federal Standards for Insurance:** Insurance plans must include federally dictated essential benefits and coverage levels (Bronze, Silver, Gold, and Platinum). • **Guaranteed Issue and Renewability:** Insurers must offer coverage to anyone wanting a policy and every policy has to be renewed. • **Pre-Existing Conditions:** Insurers cannot impose any pre-existing condition exclusion. • Community Rating: Insurers in the individual or small group markets cannot vary premiums except: individual or family coverage; geography; 3 to 1 for age; 1.5 to 1 for smoking. • **New Individual Mandate Begins:** Individual must purchase insurance or face tax penalties, once fully-phased-in of up to $696 or 2.5% of income (whichever is greater). • **New Employer Mandate Begins:** Employers with more than 50 employees who do not offer insurance or who offer coverage but their employees receive a federal insurance subsidy to pay a penalty of up to $2,000 per employee for each employee over 30 employees. • **New Insurance Subsidies Available:** For individual or families above the Medicaid eligibility cutoff, but below 400% of poverty (currently $88,200 for a family of four) who are not offered or eligible for other insurance coverage, a tax credit is available to purchase insurance through the new government exchanges.
2016	• **State Compacts:** States, with Secretary approval, may begin compacts if the coverage is at a minimum equal to the essential benefits package, there are limitations on cost-sharing, it covers the same number of people, and does not increase the federal deficit
2017	• **Large Group Market:** States may allow large group insurers to sell in the exchange. • **Waiver for State Innovation:** States may apply to the Secretary for a limited waiver from certain federal requirements.
2018	• **New "Cadillac" Tax:** 40% Excise tax on High-Cost ("Cadillac") Insurance Plans (Raises $32 B)

HEALTH CARE PROVIDERS	
2010	• **Medicare Cuts to Hospitals:** begin for long-term care and inpatient and rehabilitation facilities • **Hospitals in "Frontier States":** (ND, MT, WY, SD, UT) receive higher Medicare payments • **Hospitals in low cost areas:** will receive higher Medicare payments for 2 years ($400m)
2011	• **Physician-Owned Hospitals:** Prohibition on Medicare payments to new physician-owned hospitals • **Nursing Home and Inpatient Rehab Facilities**: Additional Medicare cuts to hospitals and new cuts to nursing homes and inpatient rehab facilities begin. • **Medicare Imaging Cuts:** Medicare reimbursement cuts when seniors use diagnostic imaging like MRIs, CT scans, etc. • **Medicare cuts to ASCs/DME:** Medicare cuts begin to ambulance services, ASCs, diagnostic labs, and durable medical equipment • **Physicians in "Frontier States":** (ND, MT, WY, SD, UT) receive higher Medicare payments
2012	• **Hospital Quality:** hospital pay-for-quality program begins • **Hospitals Readmission:** Medicare cuts to hospitals with high readmission rates begin • **Hospice:** Medicare cuts to hospice begin • **Dialysis:** Medicare cuts to dialysis treatment begins
2014	• **Medicare Board:** Independent Payment Advisory Board begins submitting proposals to cut Medicare, will cut Medicare by $15.5 Billion from 2015-2019, and by hundreds of billions in future years
2015	• **Home Health:** permanent productivity cut to payment rate of home health agencies