

## Key Provisions In The Patient Protection and Affordable Care Act

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Based on the United States Supreme Court’s decision in *National Federation of Independent Business v. Sebelius*, the arrival of the Patient Protection and Affordable Care Act is imminent. The Healthcare Group at RCFP has analyzed the act from multiple perspectives. The 1024 page act introduces many changes some of which are summarized here.

- Individuals are required to maintain “minimum essential coverage.” Minimum essential coverage is defined as:

- Employer-sponsored coverage
- Coverage under an individual health insurance plan
- Coverage under a grandfathered health plan
- Medicare coverage
- Medicaid coverage
- CHIP coverage (Children’s Health Insurance Program)
- Tricare for Life program coverage
- Coverage under the veteran’s health care program
- Coverage for Peace Corps volunteers

Failure to obtain minimum essential coverage will result in the imposition of a penalty which the United States Supreme Court endorsed as a tax.

- Employers with more than 200 full time employees must automatically enroll new full-time employees in the health plan that the employer offers. However, employees shall be notified of the automatic enrollment and be given an opportunity to opt out.

- Large employers (i.e. those with more than 50 full-time employees) that do not offer health coverage to employees when they are required to do so will be subject to a penalty. In addition, large employers with a waiting period for coverage exceeding 30 days will be subject to a penalty; \$400 if the waiting period exceeds 30 days but not 60 days and \$600 if the period exceeds 60 days. These penalties are paid per person.

- Small businesses will receive grants allowing employers to establish workplace wellness programs. To be eligible an employer must employ fewer than 100 employees who work at least 25 hours per week. At a minimum the workplace wellness programs must include:

- Health awareness initiatives (education, screenings and assessments);
- Efforts to maximize employee engagement;
- Campaigns to change unhealthy behaviors and lifestyle choices (including seminars and counseling); and
- Efforts to create a supportive environment for a healthy lifestyle (including workplace policies to foster healthy eating, increased physical activity and improved mental health).

\$200,000,000 has been made available for the five year grant program.

- Qualifying small employers who provide health insurance to employees can receive a tax credit of up to 50% of the employer's aggregate non-elective contributions made on behalf of its employees.
- Medicaid will expand to cover individuals with income at or be-

low 133% of the poverty line. Health and Human Services currently places the poverty line at \$11,170 for a single person and \$23,050 for a family of four, putting the Medicaid thresholds at \$14,856.10 and \$30,656.50 respectively.

- PPACA establishes a value-based purchasing program for hospital services to provide incentive pay for improved care. Hospitals must meet performance standards relating to:

- Acute myocardial infarction
- Heart failure
- Pneumonia
- Surgical care
- Healthcare associated infections
- Patient perception of care.

- PPACA requires that 80-85% of all insurance premium dollars be spent on health care services and health care quality improvement.

- PPACA creates a number of measures to promote overall health including requiring health insurance providers to cover preventive care without a co-pay, co-insurance or other forms of cost sharing. Preventive services that must be covered include services that the US Preventive Services Task Force has rated A or B:

- A – The US Preventive Service Task Force believes that there is a high certainty that there will be a substantial net benefit from these services. For example, screening for cervical cancer in women who

are sexually active and have a cervix, and screening for high blood pressure in adults aged 18 and over.

□ B - The US Preventive Service Task Force believes that there is a high certainty that the net benefit of these services will be moderate or that there is a moderate certainty that the net benefit of these services will be moderate to substantial. For example, the routine screening of iron deficiency anemia in asymptomatic pregnant women, and screening asymptomatic adults for diabetes where they have a blood pressure over 135/80.

- PPACA prohibits lifetime limits on the dollar value of benefits for any participant.

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