



## **Health System Reform Implementation Timeline - H.R. 3590 For Provisions that Affect Physician Practices**

Following is a timeline description of some of the major provisions of the health system reform legislation that the President signed into law March 23, 2010. Because of the complexity of the legislation, only brief summaries are included of the provision that most directly impacts physicians' practices.

### **2010**

- 01/01/10      Effective for tax years beginning Jan. 1 2009, payments made under any State loan repayment or loan forgiveness program that is intended to provide for the increased availability of health care services in underserved or health professional shortage areas are excluded from gross income.
  
- 01/01/10      Fully-funded practice expense Geographic Practice Cost Index (GPCI) floor increase: 2010 and 2011. (Estimated 0.3 percent increase for Harris County).
  
- 03/23/10      Prohibit pre-existing condition exclusions for children in all plans. (While some ambiguities have been raised about application of this provision, implementing regulations will clarify that the prohibition on pre-existing condition exclusions for children will begin as planned in September. The America's Health Insurance Plans (AHIP) has stated it will fully comply with the regulations.
  
- 07/01/10      Temporary national high-risk pool to provide immediate access to health coverage for individuals with pre-existing medical conditions.
  
- 09/23/10      Administrative Simplification: The operating rules development process begins. Health plans must adopt and implement a set of operating rules for certain electronic transactions within specified time periods on future dates.
  
- 09/23/10      Dependent coverage for children up to age 26 in all individual and group policies.
  
- 09/23/10      Prohibit rescissions of coverage in all plans, except in cases of fraud.
  
- 09/23/10      Prohibit lifetime limits on coverage and restrict annual limits in all individual and group health plans.
  
- 12/31/10      Restrictions on physician ownership of specialty hospitals: New requirements for meeting exception for physician ownership of hospital effective 18 months after enactment. To qualify for exception, the physician ownership or investment and provider agreement must be in place.

12/2/10

## Implementation Timeline Under H.R. 3590 for Provisions that Affect Physician Practices

Page 2

- 12/31/10 RAC expansion to Medicare Parts C and D and Medicaid. Can suspend Medicare and Medicaid payments pending investigation of a credible allegation of fraud.
- 12/31/10 Extension of medical liability protections under the Federal Tort Claims Act to officers, governing board members, employees and contractors of free clinics.
- 12/31/10 Require new group and individual health plans to cover certain preventive services and immunizations without cost-sharing.

### **2011**

- 01/01/11 Disclosure requirements for physician ownership of MRI, PET or CT scanning equipment.
- 01/01/11 Secretary of Health and Human Services (HHS) to oversee convening of stakeholders to receive input on an ICD-9-CM to ICD-10 crosswalk.
- 01/01/11 National strategy for quality developed.
- 01/01/11 Coverage for preventive services and eliminate cost-sharing for such services in Medicaid, and require coverage of tobacco cessation services for pregnant women.
- 01/01/11 Primary care/general surgery Medicare bonus (10 percent over five years): Effective January 1, 2011 through December 31, 2015. Primary care bonus applies to primary physicians (family medicine, internal medicine, geriatric medicine or pediatric medicine) and practitioners (NP, CNS, or PA) for whom primary care services (HCPCS codes 99201-99215; 99304-99340; and 99341-99350) account for at least 60 percent of Medicare allowed charges over a designated time period.
- 01/01/11 Physician Quality Report Initiative (PQRI) bonuses: Effective for 2011 through 2014, with one percent bonus in 2011 and 0.5 percent bonus in subsequent years.
- 01/01/11 Coverage for Medicare wellness and preventive care services, incentives for Medicare preventive services established through elimination of coinsurance.
- 01/01/11 Medicare Advantage payments frozen at 2010 levels. Payments will continue to reduce over a 3, 5 or 7 year period depending on level of payment reductions.
- 01/01/11 Establishes GME policy allowing unused training slots to be re-distributed to increase primary care training at other sites.
- 01/01/11 Authorizes \$50 million for five-year demonstration grants to states to develop, implement, and evaluate alternatives to current tort litigations.

## **2012**

- 01/01/12 Implementation date for HIPAA 5010.
- 01/01/12 Medicare claims data release.
- 01/01/12 Secretary of HHS to solicit input and consider additional electronic transaction standards and operating rules.
- 01/01/12 Practice expense GPCI floor subject to budget neutrality adjustments.
- 01/01/12 Pharmaceutical companies must report gifts to doctors of more than \$10.
- 01/01/12 Government Accountability Office (GAO) must issue a report on whether new federal policies, standards and guidelines would create causes of action against health care providers.
- 01/01/12 Begin voluntary Accountable Care Organization (ACO) payment program.
- 01/01/12 Establishes procedures for screening, oversight, and reporting for providers and suppliers that participate in Medicare, Medicaid, and CHIP

## **2013**

- 01/01/13 Public reporting for physician performance information to begin.
- 01/01/13 Administrative Simplification: Operating rules for eligibility and health plan claims status transactions take effect.
- 01/01/13 Medicaid fees for primary care equal to Medicare fees – two years (01/01/13 to 12/31/14).
- 01/01/13 Establishes a national Medicare pilot program to develop and evaluate making bundled payments for acute, inpatient hospital services, physician services, outpatient hospital services, and post-acute care services for an episode of care.
- 03/31/13 Begin annual reporting of payments to physicians from or ownership of investments in manufacturers of drugs, devices, biological or medical supplies.
- 09/01/13 Implementation date for required use of information technology under Texas HB 1342 (2009).

## Implementation Timeline Under H.R. 3590 for Provisions that Affect Physician Practices

Page 4

- 09/30/13      Pharmaceutical company gifts to doctors of more than \$10 will be available on an internet searchable database.
- 10/01/13      Implementation date of ICD-10.
- 10/01/13      Establishment of 2.3% excise tax on medical devices.
- 10/01/13      Begin voluntary bundled payment pilot program.

### **2014**

- 01/01/14      Expands Medicaid to all individuals not eligible for Medicare under age 65 (children, pregnant women, parents, and adults without dependent children) with incomes up to 133% FPL and provides enhanced federal matching payments for new eligibles.
- 01/01/14      Requirement for most individuals and employers of more than 50 to have acceptable coverage or pay a tax penalty; tax credits and cost-sharing subsidies available for individuals.
- 01/01/14      Health insurance exchanges established in each state for individuals and small businesses; provide choice of coverage through a multi-state plan.
- 01/01/14      Administrative Simplification: Operating rules for electronic funds transfer (EFT) and health care payment and remittance advice to take effect by January 1, 2014 (health care providers, including physicians, must also comply with EFT standards for Medicare payments by January 1, 2014).
- 01/01/14      Require guarantee issue and renewability, limited rate variation, risk adjustment in individual and small group markets, no pre-existing condition exclusions for adults.
- 01/01/14      Ensure coverage for routine care for individuals participating in clinical trials.
- 01/01/14      Allow states to create a Basic Health Plan.
- 01/01/14      Requires quality reporting for ambulatory surgical centers, long-term care hospitals, inpatient rehab facilities, inpatient psych facilities, PPS-exempt cancer hospitals and hospice providers
- 01/15/14      First recommendations of the Medicare Independent Advisory Board due.

**2015**

- 01/01/15 Cantwell cost/quality value index (based on 2014 performance).
- 01/01/15 Medicare Independent Payment Advisory Board (MIPAB): First implementation year of MIPAB Medicare cost reduction recommendations.
- 01/01/15 PQRI penalties: Effective beginning 2015 (1.5 percent); (2016 and subsequent years, two percent).
- 10/1/15 Provides for a 23 percentage point increase in the Children's Health Insurance Program (CHIP) match rate up to a cap of 100%.

**2016**

- 01/01/16 Administrative Simplification: Operating rules for health claims or equivalent encounter information, enrollment/disenrollment in a health plan, health plan premium payments, and referral certification and authorization transactions to take effect.
- 01/01/16 Administrative Simplification: Adoption of health claims attachments standard and operating rules to take effect.
- 01/01/16 Expand bundled payment program per HHS Secretary's plan.

**2017**

- 01/01/17 Medicare fees for physicians will be adjusted higher or lower based upon the physician's relative quality of care compared to cost.