



THE PATIENT PROTECTION AND AFFORDABLE CARE ACT, HR 3590 (PL 111-148) **DETAILED SUMMARY**

TIMELINE

Upon enactment

- **SEC. 10909.** Expansion of adoption credit and adoption assistance programs
 - Increases the adoption tax credit and adoption assistance program by \$1,000 (bringing the amount to \$13,170 each);
 - The tax credit is made refundable for all types of adoptions; allowing families with small tax liabilities to better access the credit (for adoptions finalized for 2010-2011);
 - The credit is extended through December 31, 2011.
- **SEC. 1421.** Small Business Tax Credit
 - Tax code is amended to provide a tax credit to small employers (nonprofits and for-profits) who pay for at least half of the health insurance premiums for their employees;
 - The full credit is available for employers with 10 or fewer workers, with average annual wages of \$25,000, while employers with up to 25 workers with average annual wages of up to \$50,000 will be eligible for a partial credit
 - Phase 1 (2010-2013): small nonprofit employers can take a credit (in the form of 25% of the employer contribution for employee insurance premiums) and apply that credit to taxes withheld through payroll (and employees would still get full credit for taxes withheld from their pay)
 - Phase 2 (2014 and thereafter): the amount of the credit increases to 35%
 - The law treats for-profits and nonprofits differently in these respects: for-profits get a higher rate for the credit during both phases (35% in Phase I and 50% in Phase II), but nonprofits can claim the credit each pay period whereas for-profits must wait until year-end to claim an income tax credit, and then, only if they are profitable

Within 90 days of enactment

- **Sec 1101.** Temporary high risk pool
 - The Secretary shall establish a temporary high risk health insurance pool program to provide health insurance coverage for eligible individuals during the period beginning on the date on which such program is established and ending on January 1, 2014;
 - The law sets aside \$5 billion for operation of the temporary pool;
 - The law directs HHS to carry out the program “directly or through contracts with states or private, non-profit entities.

Effective six months after enactment

- **SEC. 2704.** Prohibition of pre-existing condition exclusions and other discrimination based on health status (effective 9/2010);
 - The law bars health insurance companies from imposing pre-existing condition exclusions on children’s coverage.
- **SEC. 2711.** No lifetime or annual limits (effective 9/2010)
 - Group health plans and a health insurance issuers offering group or individual health insurance coverage cannot establish lifetime limits on the dollar value of benefits for any participant or beneficiary;
 - Insurers are also banned from establishing unreasonable annual limits.
- **SEC. 2712.** Prohibits rescissions of coverage (effective 9/2010)
 - Group health plans and a health insurance issuers offering group or individual health insurance coverage cannot rescind coverage once the enrollee becomes sick;
 - This provision does not apply to an individual who has performed an act or practice that constitutes fraud or makes an intentional misrepresentation of material fact as prohibited by the terms of the plan or coverage. Such plan or coverage may not be cancelled.



- **SEC. 2713.** Coverage of preventative health services
 - Requires new plans to cover preventive services and immunizations without co-pays, deductibles, or other cost-sharing requirements;
 - Services also include evidence-informed preventive care and screenings provided to infants, children, and adolescents.
- **SEC. 2714.** Extension of dependent coverage (effective 9/2010)
 - Requires new health plans and certain grandfathered plans to allow unmarried, childless adults up to their 26th birthday to remain on their parents' insurance policy.
- **SEC. 2719.** Appeals Process
 - Creates a new independent appeals process so that consumers have access to an effective internal and external appeals process when appealing coverage determinations.

WHAT'S IN IT FOR VULNERABLE CHILDREN AND FAMILIES

- **SEC. 2101.** Additional federal participation for CHIP
 - Protects CHIP through 2019, with funding through 2015;
 - Provides states with additional funding to ensure children have access to the program. Between FY 2014 and 2019, states would receive a 23 percentage point increase in the CHIP federal match rate, subject to a 100 percent cap;
 - Increases outreach and enrollment grants to help reach more eligible children;
 - States are required to maintain current CHIP eligibility rules through 9/30/2019.
- **SEC. 2201.** Establishes a CHIP/Medicaid Simplification Process (effective 2014);
 - Streamlines continuing coverage through the new state exchanges for those currently covered by CHIP;
 - The system must ensure that if an individual is found to be eligible for medical assistance under Medicaid or CHIP, the individual is enrolled;
 - Each state health subsidy program shall participate in a data matching arrangement for determining eligibility for program participation in the program.
- **SEC. 2001.** Expands Medicaid eligibility to 133% of the federal poverty level (effective 2014) ;
 - States may expand Medicaid eligibility as early as January 1, 2011;
 - States will be required to maintain the same income eligibility levels through December 31, 2013 for all adults, and this requirement would be extended through September 30, 2019 for children currently in Medicaid;
 - Beginning on January 1, 2014, all children, parents and childless adults who are not entitled to Medicare and who have family incomes up to 133 percent FPL will become eligible for Medicaid;
 - The federal government will pay 100% of the cost of covering newly -eligible individuals between 2014 and 2016, 95% of costs in 2017, 94% in 2018, 93% in 2019, and 90% in 2020 and thereafter;
 - In 2017 and 2018, states that initially covered less of the newly-eligible population ("Other States") will receive more assistance than states that covered at least some non-elderly, non-pregnant adults ("Expansion States").
- **SEC. 2004/10201.** Expands Medicaid coverage to former foster children (effective 2014);
 - Makes mandatory the current state option to extend Medicaid coverage up to age 26 to youth who have aged out of the foster care system.
- **SEC. 4101.** School Based Health Clinics (SBHC)
 - Provides \$50M for FY 2010-2014;
 - Grant funds must be used to certain specified purposes including facility construction, expansion, and equipment;
 - Preference will be given to SBHC's that serve a large constituency of children eligible for Medicaid and CHIP programs, as well as those that operate in underserved communities and/or communities that otherwise face barriers to access;



- Match of 20% required, unless a waiver is granted for a specified time period.
- **SEC. 2951. Home Visiting**
 - First-ever dedicated funding stream for home visitation;
 - Grant program to be administered collaboratively by ACF and MCH;
 - Provides \$1.5B in mandatory funding for home visitation programs through the Title V Maternal and Child Health Block Grant for FY 2010-2014;
 - Secretary would determine the period of years for which the grant would be available to the entity;
 - Entities receiving grants should be provided with technical assistance in administering or conducting programs with these funds;
 - Grants would be awarded to states who have the option to use initial grant funds for planning or implementation;
 - States must submit a needs assessment (within six months of enactment) that identifying communities in need and those at risk of poor maternal and child health outcomes, quality and capacity to carry out existing programs or initiatives, and State's capacity for providing substance abuse treatment and counseling services to those in need;
 - Priority funding (75 percent) for home visitation would support models that are well-designed, research-based, and rigorously evaluated through randomized control trials or quasi-experimental research designs. The remaining 25 percent of grant funding could go to support promising and new approaches yet to be evaluated by a similar rigorous process;
 - Eligible entities must establish quantifiable three- and five-year benchmarks such as improvements in maternal and newborn health, prevention of injuries or child abuse, emergency department visits, school readiness, crime or domestic violence and family economic self-sufficiency;
 - Grantees that fail to meet the three-year benchmarks in at least four of the specified areas would have to develop and implant a plan to improve their participant outcomes and grantees that fail to report on benchmarks or continue to show a lack of improvement could have their grants terminated;
 - Funds provided to an eligible entity receiving a grant under this section shall supplement, and not supplant, funds from other sources for early childhood home visitation programs or initiatives;
 - Allocations would increase from \$100 million in 2010 to \$250 million in 2011, \$350 million in 2012, and \$400 million in each of 2013 and 2014;
 - Three percent of funds are reserved for grants to Indian Tribes;
 - Nonprofits, with a are eligible to apply for grants starting in FY 2012, if a state has not applied or been approved for a grant at that time;
 - Grantees are required to submit a report to the Secretary demonstrating progress on the benchmarks by 12/31/2015.
- **SEC. 2955. Transition Planning and Health Oversight and Coordination Planning (effective 10/2010)**
 - Under FCSIAA states are required to develop a plan for the ongoing oversight and coordination of health care services for children in foster care. The state child welfare agency and the state agency that administers Medicaid must coordinate and collaborate in the development of this plan, and the plan must outline specific steps to ensure that children in foster care have their health care needs identified and appropriately met and that their medical records are updated and shared appropriately;
 - PPACA strengthens FCSIAA by requiring that the transition plan include information about the importance of designating another individual to make health care treatment decisions on behalf of the youth if he/she becomes unable to do so and including information on options for health insurance;
 - PPACA requires states to certify that youth in care and former foster youth are receiving independent living services that educate the youth on the importance of designating another individual to make health care treatment decisions on behalf of the youth if he/she becomes unable to do so.
- **SEC. 2953. Provides \$75M for Personal Responsibility Education for FY 2010-2014**
 - Administered by ACF;



- \$50M is for formula grants to states based on the size of its youth population (ages 10-19), however each state would receive a minimum of at least \$250,000;
- Programs must be designed to educate adolescents on abstinence, pregnancy prevention, sexually transmitted infections, financial literacy, parent-child communication, healthy life skills, adolescent development targeting at-risk populations including, homeless, foster care, teen parents, youth with HIV, and other vulnerable persons;
- Programs must replicate evidence-based programs, be medically accurate and complete, include activities to educate youth who are sexually active, place substantial emphasis on healthy relationships, provide age-appropriate information and activities, and provide all information in a culturally competent context;
- \$10M is set aside for innovation strategies and services for high risk and vulnerable youth, such as youth in foster care, teen parents, and homeless youth;
- \$3M for Tribes;
- \$6M for research, training, and technical assistance;
- Match requirement not specified.
- **SEC. 2943.** Restoration of Section 510 Abstinence Education Grants
 - The original grant program expired on June 30, 2009;
 - Grants would go directly to state agencies based on the proportion of low-income children in each state compared to the national total and may be used only for teaching abstinence;
 - Grantees would be required to adhere to an eight-point definition of abstinence currently in statute;
 - Authorizes \$50 million in formula grants annually for FY 2010 through FY 2014 to be administered by ACF;
 - Requires state match of \$3 for every \$4 in federal funds.
- **SEC. 1302.** Essential Health Benefits Package includes Oral and Vision Coverage
 - Starting in 2014, the law requires coverage of not only basic pediatric services under all new health plans, but also oral and vision needs.