



BlueCross BlueShield of Alabama

An Independent Licensee of the
Blue Cross and Blue Shield Association

2013 Healthcare Reform

Blue Cross and Blue Shield of Alabama Health Plans

Provisions

Insurer Fee for Comparative Effectiveness Centers

Establishes independent, public-private non-profit center CEC. Insurers contribute \$1 multiplied by the number of covered lives (insured and self-insured) under each health insurance policy in FY 2013.

Limiting Health Flexible Savings Account Contributions

Limits the amount of contributions to health FSAs to \$2,500 per year, indexed by CPI for subsequent years.

Eliminating Deduction for Employer Part D Subsidy

Eliminates the deduction for the subsidy for employers who maintain prescription drug plans for their Medicare Part D eligible retirees.

Medicare Advantage Phase-Down

Completes 2-year phase-down to 100% FFS benchmark for selected counties.

Employer Notice Requirements

Requires (by 3/1/2013) employers to provide written notice informing employees about the Exchanges and potential eligibility for premium credits.

Administrative Simplification

Health plans must adopt and implement uniform standards and business rules for the electronic exchange of health information to reduce paperwork and administrative burdens and costs.

Government

Initial Exchange Open Enrollment

Latest date for HHS to determine the initial open enrollment for Exchange plans.

HHS Decision on Exchanges

By 1/1/2013, HHS must determine if an electing state will not have a required exchange operational by 1/1/2014 or has not taken actions necessary to implement other requirements.

Fraud, Waste and Abuse

Requires (by 3/31/2013) drug and device manufacturers to file public reports with HHS on payments or value transfers to physicians.

Interstate Sale of Insurance

By 7/1/2013, HHS, in consultation with NAIC, must issue regulations for creation of "health care choice compacts."

Delivery System Reforms/Costs Containment (Medicare)

Establishes value-based purchasing for hospitals in Medicare.

Encouraging Integrated Health Systems

Implements physician payment reforms that enhance payment for primary care services and encourage physicians to join together to form "accountable care organizations" to gain efficiencies and improve quality.

Additional Hospital Insurance Tax for High Wage Workers

Increases the hospital insurance tax rate by 0.9 percentage points on an individual taxpayer earning over \$200,000 (\$250,000 for married filing jointly). Expands the taxable base to include net investment income in the case of taxpayers earning over \$200,000 (\$250,000 for joint returns).

Medical device excise tax

Establishes a 2.9 percent excise tax on the first sale for use of a medical device. Excepted from the tax are class I devices, eye glasses, contact lenses, hearing aids, and any device of a type that is generally purchased by the public at retail for individual use.

Encouraging Provider Collaboration

Establishes a national pilot program on payment bundling to encourage hospitals, doctors, and post-acute care providers to work together to achieve savings for Medicare through increased collaboration and improved coordination of patient care.

Increased Threshold for Claiming Itemized Deduction for Medical Expenses

Increases the income threshold for claiming the itemized deduction for medical expenses from 7.5 to 10 percent. Individuals over 65 would be able to claim the itemized deduction for medical expenses at 7.5 percent of adjusted gross income through 2016.