



Manager's Amendment to the Patient Protection and Affordable Care Act

Providing More Competition & Affordable Choices for Americans

The Manager's Amendment to the *Patient Protection and Affordable Care Act* builds upon the strong bill we already have. It demands greater accountability from health insurance companies while creating more choice and competition for consumers. It implements new programs to further rein in health costs and makes health insurance policies more affordable; and it improves access to quality, affordable health care for children and vulnerable populations.

Tougher Accountability Policies for Health Insurance Companies

- ✓ **Stronger medical loss ratios.** Health insurers will be required to spend more of their premium revenues on clinical services and quality activities, with less going to administrative costs and profits – or else pay rebates to policyholders. These stricter limits will continue even after the Exchanges begin in 2011, and apply to all plans, including grandfathered plans.
- ✓ **Accountability for excessive rate increases.** A health insurer's participation in the Exchanges will depend on its performance. Insurers that jack up their premiums before the Exchanges begin will be excluded – a powerful incentive to keep premiums affordable.
- ✓ **Immediate ban on pre-existing condition exclusions for children.** Health insurers will be immediately prohibited from excluding coverage of pre-existing conditions for children.
- ✓ **Patient protections.** Health insurers will have to abide by a set of patient protections that, for example, protect choice of doctors and ensure access to emergency care.
- ✓ **Ensuring access to needed care.** The use of annual limits on benefits will be tightly restricted to ensure access to needed care immediately, and will be prohibited completely beginning in 2014.
- ✓ **Guaranteed opportunity to appeal coverage denials.** All health insurers will be required to implement an internal appeals process for coverage denials, and states will ensure the availability of an external appeals process that is independent and holds insurance companies accountable.

Stronger Policies to Make Health Care Affordable

- ✓ **Innovation.** Medicare will be able to test new models and, if successful, implement them via a stronger Innovation Center, Independent Payment Advisory Board, and other authorities.
- ✓ **Transparency.** New requirements will ensure that insurers and health care providers report on their performance, empowering patients to make the best possible decisions.
- ✓ **Small businesses.** A package of improvements include starting the health insurance tax credit in 2010, expanding eligibility for the credit, and improving the purchasing power of small businesses.

More Health Insurance Choices

- ✓ **Multi-state option.** Health insurance carriers will offer plans under the supervision of the Office of Personnel Management, the same entity that oversees health plans for Members of Congress. At least one plan must be non-profit, and the plans will be available nationwide. This will promote competition and choice.
- ✓ **Free choice vouchers.** Workers who qualify for an affordability exemption to the individual responsibility policy but do not qualify for tax credits can take their employer contribution and join an exchange plan.

Improved Access to Quality Health Care for Seniors, Children, and Vulnerable Populations

- ✓ **Quality of care in Medicare.** Seniors will benefit when additional health care providers are reimbursed by Medicare for the quality of care they deliver, not the quantity of services they provide.
- ✓ **Children's health.** Support will be extended for the Children's Health Insurance Program and the adoption tax credit. Foster care children aging out of Medicaid will be able to retain its comprehensive coverage.
- ✓ **Community Health Centers.** A substantial investment in Community Health Centers will provide funding to expand access to health care in communities where it is most needed
- ✓ **Rural and underserved communities.** Access will be expanded through funding for rural health care providers and training programs for physician and other types of health care providers.
- ✓ **Vulnerable populations.** A range of new programs will tackle diseases such as cancer, diabetes, and children's congenital heart disease, will improve the Indian Health System, and will provide support for pregnant teens and victims of domestic violence.

Identifying Alternatives to Litigation

- ✓ **Testing new models.** States will be eligible for grants to test alternatives to civil tort litigation that emphasize patient safety, disclosure of health care errors, and early resolution of disputes, with a provision for patients to opt-out of these alternatives at any time. Alternatives will be evaluated to determine their effectiveness.