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July 15, 2009

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In Historic Vote, HELP Committee Approves the Affordable Health Choices Act

WASHINGTON, D.C. – The Senate’s Health, Education, Labor and Pensions (HELP) Committee today passed *The Affordable Health Choices Act*, landmark legislation that will reduce health costs, protect individuals’ choice in doctors and plans, and assure quality and affordable health care for Americans. The bipartisan bill includes more than 160 Republican amendments accepted during the month-long mark-up, one of the longest in Congressional history.

The legislation builds on the existing employer-based system and strengthens it. If an individual likes the health insurance he or she has, they get to keep it. The bill provides better choices for those with no coverage now, and those for whom coverage is unaffordable. The legislation also gives small businesses better options for high value health coverage.

Under the insurance reforms in *The Affordable Health Choices Act*, no American can be denied health coverage because of a preexisting medical condition, or have that coverage fail to help them when they need it most. No American will ever again be subject to annual or lifetime limits on their coverage, or see it terminated arbitrarily to avoid paying claims.

Moreover, the bill reduces health care costs through stronger prevention, better quality of care and use of information technology. It also roots out fraud and abuse, reduces unnecessary procedures and creates a system that allows everyone to obtain insurance thereby gaining access to doctors, medication and procedures essential for prevention and disease management. By sharing in this responsibility, these nearly 50 million uninsured Americans will avoid eleventh-hour treatment in emergency rooms that drive up costs for everyone else.

Shared responsibility requires that everyone - government, insurance companies, medical providers, individuals *and* employers - has a part in solving America’s health care crisis. *The Affordable Health Choices Act* requires those businesses which do not provide coverage for their workers to contribute to the cost of providing publicly sponsored coverage for those workers. It includes an exception for small businesses.

The bill also includes a strong public option that responds to the wishes of the American people to have a clear alternative to for-profit insurance companies. Like private insurance plans *The Community Health Insurance Option* will be available through the American Health Benefit Gateway, a new way for individuals and small employers to find and purchase quality and affordable health insurance in every state.

The non-partisan Congressional Budget Office estimates the bill to cost less than \$615 billion over 10 years.

A complete summary follows the below statements from the Democratic Members of the HELP Committee:

“I could not be prouder of our Committee. We have done the hard work that the American people sent us here to do. We have considered hundreds of proposals. Where we have been able to reach principled compromise, we have done so. Where we have not been able to resolve our differences, we have treated those with whom we disagree with respect and patience,” Chairman Kennedy said. “As we move from our committee room to the Senate floor, we must continue the search for solutions that unite us, so that the great promise of quality affordable health care for all can be fulfilled.

“We began this process with a blank sheet of paper and a mandate from the American people. We all knew the history, marked with too many disappointments, and I said that this time would be different. Well, this time is different,” said Senator Dodd. “The American people demanded legislation that protects their choice of doctors, hospitals, and insurance plans; cuts costs for families, businesses, and the federal government; and ensures that, in the wealthiest nation in the world, everyone has access to affordable, high-quality care. This time, we have produced the legislation Americans wanted. This time, we have delivered on the promise of real change.”

“It was not enough to talk about how to extend insurance coverage and how to pay for health care – as important as those things are. It made no sense just to figure out a better way to pay the bills for a system that is broken and unsustainable. We also had to change the health care system itself. And that is what this bill would do,” said Senator Harkin. “This legislation puts prevention and public health at the very heart of comprehensive health reform. It will jumpstart the process of replacing our current sick care system with a genuine health care system. And it doesn’t just tinker around the edges; it changes the paradigm.”

“This is an historic moment. Today, we have moved one big step closer to guaranteeing high –quality, affordable and accessible health care for all Americans,” Senator Mikulski said. “I am proud to have led the HELP Committee in writing the quality title of this landmark legislation. Emphasizing quality in health care improves lives, saves lives and fixes the problems – medical errors, preventable hospital readmissions, and failure to manage chronic diseases -- in our current system that severely impact people’s lives and checkbooks. Now is the time for health care reform. We will send President Obama a health care reform bill this year.”

For millions of Americans, the health care system in place today is not working. In this landmark legislation we have a great framework for an improved system that reduces costs, requires more of health insurance plans, focuses on prevention, and ensures high quality and affordable health care for all Americans,” said Senator Bingaman. “I hope the legislation we ultimately send to the president this summer resembles this bill closely.”

“With health care premiums rising three times faster than wages, it is clear that our current system is not sustainable. That’s why we have produced a bill that protects patient choice, lowers costs and helps those who have no coverage at all. And as we worked to provide quality, affordable health care coverage to all Americans, I worked closely on the part of the bill that ensures that there are enough health care professionals to provide that care,” Senator Murray said. “I am very proud of my colleagues on this committee for their commitment and dedication. Our legislation is the culmination of hundreds of hours of meetings and testimony, and hundreds of amendments worked through from both sides of the aisle. We have been talking about reforming health care for years, but the American people need help now more than ever and I am confident that this year we high quality, affordable health care a reality for all.”

“This is an historic first step and a signal that the status quo isn’t enough. Skyrocketing health care costs are threatening the economic stability of American families and businesses, and the fiscal health of our nation. One out of every six dollars we earn is spent covering the costs of medical bills, and that’s unhealthy for our economy. The Affordable Health Choices Act will begin reining in costs and provide millions of Americans access to more reliable and affordable coverage,” said Senator Reed. “Every American family should have access to a family doctor. The strong public option and a host of other insurance reforms in this plan will give Americans more choices of providers, provide families with more health care stability, and transform our current health care system from one that provides sick care to one that truly promotes health and wellness.”

“This is a historic moment for our nation. This is not a partisan victory. This is a victory for the millions of American families and businesses whose health care costs have soared out of control. This is a victory for 50 million uninsured Americans. While there is still much work to do, today is a critical first step in national health care reform. I applaud Chairmen Kennedy and Dodd for their leadership,” said Senator Brown.

“Today’s vote is a major step toward reducing health care costs, providing stability for those worried about losing coverage and expanding coverage to 97% of Americans,” said Senator Casey. “As I travel in Pennsylvania, the top issues I hear from my constituents are the related issues of economic insecurity and the need for health care reform. This legislation will go a long way toward providing peace of mind for families and an economic boost for our country.”

“We have passed a compromise health care reform bill that will stabilize costs and ensure that people who are happy with their health care and doctors can keep them. Our bill also ensures that a pre-existing condition will not prevent you from getting coverage. This compromise package focuses on prevention and wellness, which will keep our nation healthier and save taxpayers’ money in the long run. I will continue working with my colleagues to get reform legislation to the President that stabilizes costs, expands coverage and improves the quality of care for all Americans,” said Senator Hagan.

“The Senate HELP Committee bill is a once in a generation opportunity for affordable, accessible, quality health care. The bill gives every citizen a full range of health insurance options, including a community health plan. It is our best bet to heal a broken health system by increasing coverage, investing in prevention and decreasing costs,” said Senator Merkley.

“The reform bill we passed today will let you keep the health insurance you have, if you like it – and if you can’t afford your coverage or you’re uninsured, you’ll have new choices,” said Senator Whitehouse. “Its emphasis on quality improvement, disease prevention, and a public insurance option will mean high-quality, efficient health care that invests not only in treating you when you’re sick, but in keeping you well. And never again will an insurance company be able to deny you coverage because of a pre-existing condition.”

A summary of the legislation is below.

HELP Health Reform Legislation – Section by Section Narrative (7-15-09)

Title I. QUALITY, AFFORDABLE HEALTH COVERAGE FOR ALL AMERICANS

Subtitle A. Effective Coverage for All Americans

Synopsis: This subtitle provides the basic structure for a reformed market for health insurance in all 50 states. Health status underwriting and the imposition of pre-existing condition exclusions are prohibited in all individual and group employer markets. Rates within a geographic region may only vary by family composition, the value of the benefits package, tobacco use, and age by a factor of not more than two to one. Guaranteed issue will be required for all insurers operating in the individual and group health insurance markets. All insurance policies must incorporate incentives for high quality and preventive health care services. Dependents will be permitted to stay on parents’ policies until age 26. Lifetime and annual benefit limits will be prohibited in all individual and group policies. Existing health plans are exempt from the requirements specified in this subtitle.

Insurance Market Reforms. Subtitle A will reform the individual and group health insurance markets in all 50 states to promote availability of coverage for all individuals and employer groups. Under these new requirements, premium payments for insurance policies within each market will be permitted to vary only by family structure, geographic region, the actuarial value of benefits provided, tobacco use and age. Rates specifically will not be permitted to vary based on gender, class of business, or claims experience. Rating by age will be permitted to vary by no more than a factor of two to one. Insurers will be permitted to incentivize health promotion and disease prevention practices. Guaranteed issue and guaranteed renewability will be required in all states in each individual and group health insurance market. (§ 2701, 2702, 2703)

Bringing Down the Cost of Health Care Coverage. Health insurers offering group or individual policies will be required to publically report the percentage of total premium revenue that is expended on clinical services, quality and all other non-claims costs as determined by the Secretary of Health and Human Services. (§ 2704)

Prohibiting Discrimination Based on Health Status. In issuing health insurance policies, insurers will not be permitted to establish terms of coverage based on any applicant's health status, medical condition (including physical and mental illness), claims experience, prior receipt of health care, medical history, genetic information, evidence of insurability (such as being a victim of domestic violence), or disability. (§2706)

Ensuring the Quality of Care. Health insurance policies will be required to include financial incentives to reward the provision of high quality care that include case management, care coordination, chronic disease management, wellness and health promotion activities, child health measures, activities to improve patient safety and reduce medical errors, as well as culturally and linguistically appropriate care. (§2707)

Coverage of Preventive Health Services. Health insurance policies will not be allowed to impose more than minimal cost sharing for certain preventive services endorsed by the U. S. Preventive Services Task Force as clinically and cost effective, for immunizations recommended by the CDC, and for certain child preventive services recommended by the Health Resources and Services Administration. (§2708)

Extension of Dependent Adults: All individual and group coverage policies will be required to continue offering dependent coverage for children until the child turns age 26, according to regulations to be established by the Secretary of Health & Human Services. (§2709)

No Lifetime or Annual Limits. No individual or group health insurance policy will be permitted to establish lifetime or annual limits on the dollar value of benefits for any enrollee or beneficiary. (§ 2710)

Notification by Plans Not Providing Minimum Qualifying Coverage. Health plans that fail to provide minimum qualifying coverage shall notify enrollees prior to enrollment or re-enrollment, according to regulations to be established by the Secretary of Health & Human Services. (§ 2711)

Promotion of Choice of Health Insurance. The Secretary will develop standards for Gateways plans to provide summaries of benefits in a standard format. Also prohibits rescission of coverage after plan issue and provides grants to States to establish health insurance customer assistance

Prohibition of Discrimination Based on Salary. Health insurers will not be permitted to limit eligibility based on the wages or salaries of employees. (§ 2719)

No Changes to Existing Coverage. There is no requirement that an individual must terminate his or her coverage in a plan in which the individual was enrolled prior to enactment of this Act. Family members, new employees, are able to enroll in health plans operating prior to enactment.

This provisions in this subtitle will not apply to any individual or plan in which enrollment began prior to the effective date of the Act regardless of whether the individual renews coverage. The provisions of the subtitle do not apply to collective bargaining agreements ratified prior to the date of enactment or self-insured group health plans. Existing coverage plans are also excluded from the risk adjustment procedures established in section 142. The

subtitle applies if significant changes are made to the existing health insurance plan, according to regulations to be established by the Secretary of Health & Human Services. (§ 131, 132, 133)

Subtitle B. Available Coverage for All Americans

Synopsis: This subtitle authorizes the establishment of an Affordable Health Benefit Gateway in each state and of a Community Health Insurance Plan. Planning grants are provided to each state to support the creation of state Gateways. States can establish Gateways as quickly they wish, thus qualifying their residents for premium credits. If a state takes no action, the Secretary will establish and operate that state's Gateway. Gateways are established to help qualified individuals and qualified employer groups to purchase affordable health insurance and related insurance products. The Gateway will establish procedures to qualify health plans to be offered through them, develop tools to enable consumers to obtain coverage, establish open enrollment periods, and assist consumers in the purchase of long term services and supports. The Secretary of Health and Human Services shall establish an essential health care benefits which will qualify for income-related premium credits, affordability standards, and minimum coverage standards for individuals. States may establish Navigators to assist businesses and individuals in obtaining affordable, quality coverage. The Community Health Insurance Plan will be administered by a nonprofit entity, and after receiving an initial loan for start-up expenses, will be subject to a federal solvency standard.

Building on the Success of the Federal Employees Health Benefit Program so All Americans have Affordable Health Benefit Choices. It is the sense of the Senate that Congress should establish a means for All Americans to have affordable choices in health benefit plans, in the same manner as Members of Congress. (§ 141)

Affordable Choices of Health Benefit Plans. Each state will have an Affordable Health Benefit Gateway, established either by the state or by the Secretary of Health and Human Services that will be administered through a governmental agency or non-profit organization. Within 60 days of enactment, the Secretary will make planning grant awards to states to undertake activities related to establishing their own Gateway. The Gateway exists to facilitate voluntary purchase of health insurance coverage and related insurance products at an affordable price by qualified individuals and qualified employer groups. States may require benefits in addition to essential health benefits but must assume additional costs. Risk pools include all enrollees in an individual plan or a group health plan. The Gateway will include a public health insurance option. The Gateway will establish procedures to qualify interested health plans to offer their health insurance policies through the Gateway. (§ 3101)

Gateway Functioning. The Gateway will develop tools to enable consumers to make coverage choices, and set up open enrollment periods to enroll in qualified health plans. After initial federal financial support, Gateways will become financially self-sustaining through establishing a surcharge on participating health plans. The Gateways will use risk adjustment mechanisms to remove incentives for plans to avoid offering coverage to those with serious health needs. Gateways will establish enrollment procedures to enable individuals to sign up for coverage, including Gateway plans with premium credits, Medicaid, CHIP, and others. The Secretary will establish a website through which individuals may connect to their state Gateway to purchase coverage. States may form regional Gateways operating in more than one state; states may establish subsidiary regional Gateways, as long as each Gateway serves a distinct region. (§ 3101)

Existing Markets. If individuals like their current coverage, they can keep it. Licensed health insurers will be able to sell health insurance policies outside of the Gateway. Any resident will be able to purchase health insurance outside the Gateway, including policies which do not meet standards to be a qualified health plan. States will regulate health insurance sold outside the Gateway. State insurance regulators will perform their traditional obligations regarding consumer protection and market conduct. For qualified health plans sold through the Gateway, the Secretary will issue regulations regarding marketing, network adequacy, and understandability for consumers. The Secretary will establish policies to facilitate enrollment, including use of electronic enrollment tolls, and provide grants to enhance community-based enrollment and public education campaigns, and policies for the certification of qualified health plans. (§ 3101)

Financial Integrity. The Department of Health and Human Services will oversee the financial integrity of Gateways by conducting annual audits, requiring financial reporting, and other measures, and the Secretary may rescind payments from state Gateways that fail to follow federal requirements. The Secretary shall also establish procedures and protections to guard against fraud and abuse. Additionally, the Comptroller General will conduct ongoing reviews of Gateway operations and administration. (§ 3102)

Program Design. The Secretary shall establish the essential health care benefit design which shall include at least ambulatory patient services, emergency services, hospitalization, maternity and newborn care, mental health and substance abuse services, prescription drugs, rehabilitative and abilitative services and devices, laboratory services, preventive and wellness services, and pediatric services. The Secretary must submit a report to Congress certified by the Chief Actuary of the Centers for Medicare and Medicaid Services that the health benefits meet these requirements. Develops a one-time, temporary, and independent commission to advise the Secretary in the development of the essential benefit package. (§ 3103)

Qualifying Coverage. Qualifying coverage includes any coverage under which an individual is enrolled on the date of enactment of the law, and – after the date of enactment – coverage that meets the criteria for minimum qualifying coverage to satisfy personal responsibility standards, and coverage which meets grandfather standards. Coverage through Medicare, Medicaid, the CHIP, TRICARE, Veteran’s Health, FEHB, the medical program of the Indian Health Service, a state health benefit high risk pool, and others meet the conditions for minimum qualifying coverage. A religious exemption will also apply to these standards. Coverage is determined to be unaffordable if the premium paid by the individual is greater than 12.5 percent of the individual’s adjusted gross income. The Secretary shall establish an affordability standard and procedures for updating this standard linked to the Consumer Price Index for urban consumers. (§ 3103)

State Participation. States have three options regarding their preferred participation in the Gateway. An “establishing state” is one that proactively seeks such status to launch its Gateway as early as possible and which meets the requirements of the law. A “participating state” requests that the Secretary establish an initial Gateway once all necessary insurance market reforms have been enacted by the state into law, and other requirements have been met. In a state that does not act to conform to the new requirements, the Secretary shall establish and operate a Gateway in the state after a period of six years, and such state will become a “participating state.” Until a state becomes either an establishing or participating state, the residents of that state will not be eligible for premium credits, an expanded Medicaid match, or small business credits. (§ 3104)

Navigators. States will receive federal support to contract with private and public entities to act as health coverage “navigators” to assist employers, workers, and self-employed individuals seeking to obtain quality and affordable coverage through Gateways. Entities eligible to become navigators could include trade, industry and professional organizations, unions and chambers of commerce, small business development centers, and others. The navigators will conduct public education activities, distribute information about enrollment and premium credits, and provide enrollment assistance. Health insurers or parties that receive financial support from insurers to assist with enrollment are ineligible to serve as navigators. (§ 3105)

Community Health Insurance Option. The Secretary will establish a community health insurance option that complies with the health plan requirements established by this title and provides only the essential health benefits established in section 3103, except in States that offer additional benefits. There are no requirements that health care providers participate in the plan or that individuals join the plan. The premiums must be sufficient to cover the plan’s cost. The Secretary shall negotiate rates for provider reimbursement. Reimbursement rates will be negotiated by the Secretary and shall not be higher than the average of all Gateway reimbursement rates. A “Health Benefit Plan Start-up Trust Fund” will be created to provide loans for the initial operations of the community health insurance plan, which the plan will be required to pay back no later than 10 years after the payment is made. After the first 90 days of operation, the community health plan will be subject to a Federal solvency standard, established by the Secretary, and will be required to have a reserve fund that is at least equal to the dollar value of incurred claims. Each state will establish a State Advisory Council to provide recommendations to the Secretary on the policies and procedures of the community health insurance plan. (§ 3105)

Contracting of Community Health Insurance Option. The Secretary shall contract with qualified nonprofit entities to administer the community health insurance plan in the same manner as Medicare program contracting. The contractor will receive a fee from the Department of Health and Human Services, which may be increased or reduced depending on the contractor’s performance in reducing costs and providing high-quality health care and customer service. Contracts will last between 5 and 10 year-terms, at the end of which there will be a competitive bidding process for new and renewed contracts. (§ 3105)

Subtitle C. Affordable Coverage for All Americans

Synopsis: This subtitle establishes a new subsidy structure to support the purchase of private health insurance. For those with incomes above the maximum level for Medicaid eligibility, premium assistance and cost sharing limits will facilitate health insurance affordability. Credits to defray premium costs will be provided on a sliding scale basis to enable families to purchase insurance through the Gateway. These policies will cover services recommended by the Secretary; states may cover additional benefits and services at their own expense. Enrollment and eligibility determinations will be performed by the Gateway. Individuals may allow the Gateway to use IRS information to determine eligibility. New tax credits will be available to cover a portion of employees' insurance costs.

Support for Affordable Health Coverage. To reduce the economic burden of health care on vulnerable Americans, low-income, and moderate-income Americans who enroll in plans through the Gateways will be eligible for premium credits. Credits are provided on sliding scale, so that those with the lowest incomes receive the most help. Gateways, which will provide information on health insurance options, will administer these credits. The premium credits would be on a sliding scale up to 400% of the poverty line (\$88,080 for a family of 4), with those at lower end receiving more. (§ 3111)

Geographic Adjustments. To account for regional premium variations, credits will be based on a reference premium. The reference premium will be calculated on the average premiums of the three lowest cost qualified plans offered in each area. Premiums will be risk adjusted to adjust for variations in patient characteristics or risk factors. Services not included in the essential benefits design package will not be paid for with premium credits. States are permitted to make payments for individuals that exceed required amounts or to defray costs of services in addition to the essential benefits package. (§ 3111)

Eligibility Determination. Gateways will conduct eligibility determinations in accordance with guidelines established by HHS. If HHS finds that Gateways are abusing the eligibility determination process, HHS may conduct such determinations itself. To enhance program integrity, the Secretary shall require income verification through the use of tax returns. Procedures are included to allow the Gateways to verify that individuals are not receiving more credits than they are entitled to receive, and to invoke fees on those who receive overpayments. The credits are funded as an entitlement, not an authorization of appropriations. (§ 3111)

Small Business Program Credits. Beginning in 2010, employers with 50 or fewer full-time workers who pay 60 percent or more of their employees' health insurance premiums will be permitted to receive tax credits for subsidizing coverage. Credit amounts are based on the type of employee coverage, the size of the employer, and the proportion of time the employer paid employee health insurance expenses, and are available for up to 3 consecutive years. Self-employed individuals who do not receive credits for purchasing coverage through the Gateway are eligible. (§ 3112)

Subtitle D. Shared Responsibility for Health Care

This subtitle creates a shared responsibility framework. Individuals will be required to have health coverage that meets minimum standards and to report such coverage annually. Exemptions will be made for individuals unable to access affordable care. Fees will be assessed on employers who do not provide qualifying coverage for full- and part-time employees. Employers with 25 or fewer employees are exempt from penalties. Standards will be established to ensure efficient use of health information technology for enrollment in qualified health plans.

Shared Responsibility Payments. All individuals will be required to obtain health insurance coverage. Exemptions will also be made for individuals for whom affordable health care coverage is not available or for those for whom purchasing coverage creates an exceptional financial hardship. The minimum penalty to accomplish the goal of enhancing participation in qualifying coverage will be no more than \$750 per year. Individuals deemed to lack availability to affordable coverage (as determined in section 3103), Indians, individuals living in states where Gateways are not yet, and individuals without coverage for fewer than 90 days operating are exempt from the mandate and penalty. (§ 161, 59B)

Reporting of Health Insurance Coverage. Health plans providing qualified health insurance will file a return containing information regarding health insurance coverage. The return shall include basic information including the number of months during which the individual was covered. Health plans shall provide this information in writing to covered individuals. The IRS shall notify individuals who file income tax returns and are not enrolled in qualifying coverage and shall include information on services available through the Gateway. Employers must provide written notification informing employees about the Gateway. (§ 6055)

Shared Responsibility of Employer. Employers with more than 25 employees who do not offer qualifying coverage (as determined in section 3103) or who pay less than 60 percent of their employees' monthly premiums are subject to a \$750 annual fee per uninsured full-time employees and \$375 per uninsured part-time employees. For employers

subject to the assessment, the first 25 workers will be exempted. Beginning in 2013, the penalty amounts will be adjusted using the Consumer Price Index for urban consumers. Employers with 25 or fewer employees are exempt from penalties and are eligible for program credits in section 3112. (§ 3115)

Definitions: (§ 3116)

- Public health insurance option: Policy under discussion.
- Eligible individuals are citizens or lawfully admitted permanent residents of the U.S. who are enrolled in a qualified health plan. Those eligible for other public programs are not eligible for credits, but a special rule applies to CHIP. Those in CHIP (or their parents) are able to determine whether staying in CHIP works best for them, or whether moving to the Gateway is best. Either choice is permissible, but the individual cannot “double dip” by getting funding from both the Gateway and CHIP.
- Qualified employer is an employer who chooses to make employees eligible for a qualified health plan. If enrollment takes place through a Gateway, the employer must meet State or federal criteria. The initial federal criteria are set so that only small firms are qualified. Participating employers with up to 50 employees may continue participation in the Gateway if they subsequently grow to more than 50 employees.
- Qualified health plan means a plan has certification issued by a Gateway and is offered by a licensed health insurance company. The health insurer must agree to offer at least one qualifying health plan with appropriate cost sharing levels, comply with regulation and pay any surcharge. This includes the community health insurance option.
- Additional health plan requirements: Plans must make available for enrollees and potential enrollees descriptions of benefits offered, service area, cost-sharing, premiums, access to providers and grievance/appeals procedures.
- Quality standards for health plans: Plans must provide the essential health care benefits established in this Act and be accredited by the National Committee for Quality Assurance or an equivalent entity. Plans must implement incentives for high quality care and improving health outcomes through strategies such as reporting, case management, care coordination, chronic disease management compliance initiatives and prevention of hospital readmission. Plans must encourage patient safety and reduction of medical errors through best practices, evidence based medicine and health information technology.
- A qualified individual is residing in a participating or establishing State, not incarcerated, not eligible for Medicare or Medicaid, TRICARE, FEHBP, or any qualifying employer-sponsored coverage.
- An eligible employee is an individual for whom if the employer-sponsored coverage does not meet criteria for minimum qualifying coverage or is not affordable for the employee.
- Adjusted gross income is determined by section 62(a) of the Internal Revenue Code.

Subtitle E. Improving Access to Health Care Services

Spending for Federally Qualified Health Centers (FQHCs): FY2010 - \$2.9B; FY2011 - \$3.8B; FY2012 - \$4.9B; FY 2013 - \$6.4B; FY2014 - \$7.3B; FY2015 - \$8.3B. (§ 171)

Funding for National Health Service Corps: FY2010 - \$320M; FY2011 - \$414M; FY2012 - \$535M; FY2013 - \$691M; FY2014 - \$893M; FY2015 - \$1.1B

Community-based mental and behavioral health: \$50 million for coordinated and integrated services through the co-location of primary and specialty care in community-based mental and behavioral health settings.

Reauthorization of Wakefield Emergency Medical Services for Children Program

Subtitle F. Making Health Care More Affordable for Retirees

Reinsurance for Retirees. The Secretary will create a temporary reinsurance program to provide reimbursement to employers who provide health benefits to retirees (those older than 55 but not yet eligible for Medicare) and their dependents who live in states that have not yet established Gateways. The reinsurance program will be funded through a Retiree Reserve Trust Fund. (§ 181)

Subtitle G. Improving Access to Health Care Services

Health information technology standards. Standards and protocols shall be developed to promote the interoperability of systems for enrollment of individuals in federal and state health and human services programs. These standards shall allow for electronic data matching, and electronic documentation. The Secretary may require State or other entities to incorporate such standards as a condition of receiving federal health IT funds. Grants shall be awarded to develop and adapt systems to implement the standards described above. (§ 185, 3021)

Hawaii. Nothing in this Act shall modify or limit the application of the exemption for Hawaii's Prepaid Health Care Act under ERISA. (§ 186)

Key National Indicators. Establishes a Commission on Key National Indicators to conduct a comprehensive oversight of a newly established key national indicators system, with a required annual report to Congress. (§187)

Subtitle H. COMMUNITY LIVING ASSISTANCE SERVICES AND SUPPORTS (CLASS)

Establishment of National Voluntary Insurance Program for Purchasing Community Living Assistance Services and Supports

Synopsis: This section creates a new national insurance program to help adults who have or develop functional impairments to remain independent, employed and stay a part of their communities. Financed through voluntary payroll deductions (with opt-out enrollment similar to Medicare Part B), this program will remove barriers to independence and choice (e.g., housing modifications, assistive technologies, personal assistance services, transportation) by providing a cash benefit to individuals unable to perform two or more functional activities of daily living. The large risk pool created will make added coverage more affordable and reduce incentives for people with severe impairments to spend down to Medicaid.

Purposes. The intent is to establish a national voluntary insurance program for purchasing community living assistance services and support in order to provide individuals with functional limitations with tools that will allow them to maintain their personal and financial independence and live in the community through a new financing strategy for community living assistance services and supports, establish an infrastructure that will help address the Nation's community living assistance services and supports needs, and alleviate burdens on family caregivers. (§ 3201)

Definitions. "Active enrollee" means an individual who has enrolled and paid premiums to maintain enrollment. "Activities of daily living" include eating, toileting, transferring, bathing, dressing, and continence or the cognitive equivalent. An "eligible beneficiary" has paid premiums for at least 60 months and for at least 12 consecutive months. (§ 3203)

CLASS Independent Benefit Plan. The Secretary of Health & Human Services will develop two alternative benefit plans within specified limits. The monthly maximum premiums will be set by the Secretary to ensure 75 years of solvency. For individuals with family incomes below 100 percent of the federal poverty line, and for individuals under age 22 who are active workers or full-time students, the premium cannot exceed \$5, also to be inflation adjusted. There is a five year vesting period for benefit eligibility. The benefit triggers when an individual is unable to perform not less than two activities of daily living for at least 90 days. The cash benefit will be not less than \$50 per day. Not later than October 1, 2012, the Secretary will designate a CLASS benefit plan, taking into consideration the recommendations of the CLASS Independence Advisory Council. (§ 3203)

Enrollment and Disenrollment. The Secretary will establish procedures to allow for voluntary automatic enrollment by employers, as well as alternative enrollment processes for self-employed, employees of non-participating employers, spouses and others. Individuals may choose to waive enrollment in CLASS in a form and manner to be established by the Secretary. Premiums will be deducted from wages or self-employment income according to procedures established by the Secretary. (§ 3204)

Benefits. Eligible beneficiaries will receive appropriate cash benefits to which they are entitled, advocacy services, and advice and assistance counseling. Cash benefits will be paid into a Life Independence Account to purchase nonmedical services and supports needed to maintain a beneficiary's independence at home or in another residential setting, including home modifications, assistive technology, accessible transportation, homemaker services, respite care, personal assistance services, home care aides, and added nursing support. (§ 3206)

CLASS Independence Fund. The CLASS Independence Fund will be located in the Department of the Treasury and the Secretary of the Treasury will act as the Managing Trustee. The fund shall have "lock-box" protection such that neither the Senate nor the House of Representatives will be able to authorized use of funds in the Trust for any purpose not explicitly authorized in this Title. A CLASS Independence Fund Board of Trustees will include the Commissioner of Social Security, the Secretary of the Treasury, the Secretary of Labor, the Secretary of Health & Human Services, and two members of the public. (§ 3206)

CLASS Independence Advisory Council. The CLASS Independence Advisory Council, created under this Title, will include not more than 15 members, named by the President, a majority of whom will include representatives of individuals who participate or are likely to participate in the CLASS program. The Council will advise the Secretary on matters of general policy relating to CLASS. (§ 3207)

Title II. HEALTH QUALITY AND DELIVERY SYSTEM REFORM

Subtitle A. National Strategy to Improve Health Care Quality

Synopsis: This subtitle requires the Secretary of Health and Human services to establish a national strategy and support infrastructure necessary to improve the quality of the U.S. health care system. The strategy will target priority areas, use health information technology to incorporate quality improvements, and focus on health outcomes and population health. An interagency working group will coordinate and implement health care quality improvement initiatives. Quality measures will be identified, developed and endorsed. A streamlined and integrated quality reporting process will minimize the burden on providers.

National Strategy for Quality Improvement in Health Care: The U.S. lacks a coherent strategy to improve the quality of the nation's health care system. The Secretary of HHS is directed to establish a national quality strategy and implement its priorities. Health outcomes, as well as quality initiatives to improve them, vary widely across the country. The National Strategy aims to reduce geographic variations in care quality and reduce health disparities while improving the delivery of health care services, patient health outcomes, and population health. The Secretary will identify priority areas to improve the delivery of health care services. Additionally, quality improvements will eliminate waste and improve efficiency in the health care system. [§ 201]

Interagency Working Group on Health Care Quality: The U.S. lacks an effective way in which to share and implement quality initiatives. The President is directed to create an inter-agency Working Group to coordinate, collaborate and streamline federal quality activities around the national quality strategy. The Working Group will also share best practices and lessons learned among all health care sectors and government agencies. The quality activities will be related to the priorities defined in the national strategy. Agencies will be required to develop individual strategic plans and then to report to both Congress and the public on the progress toward implementing the strategic plans. [§ 202]

Quality Measure Development: The U.S. lacks an effective way in which to comprehensively measure health care quality. The Director of the Agency for Health Care Research and Quality (AHRQ) is directed to provide grants to organizations, such as specialty societies, to develop measures in "gap" areas where no quality measures exist, or where existing quality measures need improvement, updating, or expansion. Measures will be developed according to priority areas related to care coordination, patient experience, health disparities, and the appropriateness of care. Quality measures developed through grants under this program will be made publicly available. [§ 203]

Quality Measure Endorsement, Public Reporting, Data Collection: The U.S. lacks a streamlined, interoperable, quality measure endorsement and reporting system. AHRQ is directed to establish a streamlined quality measure endorsement process. It is directed to contract with a consensus based organization, such as the National Quality Forum, to evaluate and endorse quality measures for use with Federal health programs. The Secretary is given the discretion about whether to adopt the measure. The data from the reporting of these quality measures will be made available in a user-friendly format to inform providers, patients, consumers, researchers, and policymakers. [§ 204]

Collection and Analysis of Quality Measure Data:

To facilitate public reporting, the Secretary will establish a process to collect, validate and aggregate data on quality measures. The Secretary will also provide grants and contracts for the collection and aggregation of quality measures as well as for analysis of health care data. [§ 205]

Subtitle B. Health System Quality Improvement

Synopsis: This subtitle establishes health quality initiatives to reduce medical errors, reduce hospital readmissions, improve patient safety, promote evidence-based medicine and disseminate best care practices. An integrative model of patient-centered care will be supported through the establishment of Community Health Teams. Research and informational tools will be encouraged to assist patients make informed decisions about care options available to them. In order to eliminate waste, routine administrative processes that divert scarce health resources from patients to paperwork will be streamlined.

Health care delivery system research; Quality Improvement Technical Assistance. A Patient Safety Research Center is established in AHRQ. In addition to supporting research, technical assistance and process implementation grants will be made to local providers to teach and implement best practices. Best practices help deliver care safely. The Patient Safety Research Center will strengthen best practice research and dissemination. Creating grants to identify and disseminate best practices to local providers will prevent medical errors and reduce their associated costs. One such practice is the Pronovost Checklist, which uses ten simple steps to properly insert a catheter and eliminate line infections. [§ 211]

Community Health Teams. The Secretary is directed to create a program to fund Community Health Teams. States or state-designated entities would be eligible for grants under this program. Community Health Teams will be established to support the development of medical homes by increasing access to comprehensive, community based, coordinated care. A patient's care is coordinated by an integrated team of providers that includes primary care providers, specialists, other clinicians and licensed integrative health professionals as well as community resources to enhance wellness and lifestyle improvements. It is patient-centered and holistic in its orientation. [§ 212]

Grants to Implement Medication Management Services in Treatment of Chronic Disease. The Secretary, through the new Patient Safety Research Center within AHRQ, will provide grants to support local health providers for medication management services. Medication management services help manage chronic disease, reduce medical errors, and improve patient adherence to therapies while reducing acute care costs and reducing hospital readmissions. This program attempts to evaluate and determine the best practices and develop quality measures specific to this service provided by pharmacists and other types of providers. [§ 213]

Regionalized Systems for Emergency Care, including Acute Trauma. This section provides funding by the Assistant Secretary for Preparedness and Response to states or local governments to help improve regional coordination of emergency services. Access to the emergency medical system will be facilitated and a mechanism to ensure that patients are directed to the most appropriate medical facility will be established. Inter-facility resources will be tracked and coordinated in real time. [§ 214]

Trauma Care Centers and Service Availability. This section reauthorizes and improves the trauma care program, providing grants by the Secretary of HHS to states and trauma centers to strengthen the nation's trauma system. Grants are targeted to assist centers in underserved areas susceptible to funding and workforce shortages. [§ 215]

Reporting and Reducing Preventable Readmissions. Hospitals will be required by the Secretary of HHS to report preventable readmission rates. Hospitals with high re-admission rates will be required to work with local patient safety organizations to improve their care transition practices including the effective use of discharge planning and counseling. [§ 216]

Program to Facilitate Shared Decision Making. The Secretary of HHS will give grants to the National Quality Forum to develop, test, and disseminate educational tools to help patients and caregivers understand their treatment options. Materials will assist patients to decide with their provider what treatments are best for them based on these beliefs and preferences, options, scientific evidence, and other circumstances. Providers will be educated on the use of these tools. Quality measures related to utilization of these tools as well as patient and caregiver experiences will be developed. [§ 217]

Presentation of Drug Information. A process will be established for the FDA to evaluate and determine if the use of drug fact boxes in advertising and other forms of communication for prescription medications is warranted. A standardized, quantitative summary of the relative risks and benefits developed by FDA is an effort to clearly communicate drug risks and benefits and support clinician and patient decision making processes. [§ 218]

Center for Health Outcomes Research and Evaluation. The Secretary of HHS shall establish a new Center within the AHRQ that will promote health outcomes research and evaluation that enables patients and providers to identify

which therapies work best for most people and to effectively identify where more personalized approaches to care are necessary for others. An Advisory Commission representing diverse interests will be established by the Secretary and public input will be sought in order to ensure research conducted is meaningful to patients and providers. [§ 219]

Demonstration Program to Integrate Quality Improvement and Patient Safety training into health professionals' clinical education. Grants will be provided by AHRQ to academic institutions to develop and implement academic curricula that integrate quality improvement and patient safety into health professionals' clinical education. [§ 220]

Improving the Health of Women. This section will improve the health and the quality of care for women by making permanent women's health offices that currently exist within HHS and its agencies. Statutory authorization for federal women's health offices ensures women's health programs affecting prevention, treatment, and research will continue to receive the attention they require in the twenty-first century. [§ 221]

Administrative Simplification. Enacted in 1996, the HIPAA law promised to simplify the administration of health care – yet that promise has gone largely unrealized. Since 1996, the potential of information technology to streamline commerce has increased exponentially, but the HIPAA standards have not kept pace. This section updates administrative simplification standards for the electronic age by requiring new technical standards designed to provide a common technical platform for more seamless administration of health care. This section includes a provision to ensure timely updating of standards for electronic data interchange to meet evolving requirements in health care administration. [§ 222]

Title III: IMPROVING THE HEALTH OF THE AMERICAN PEOPLE

Synopsis: This title seeks to make preventive health and wellness services available and accessible to all Americans, regardless of age, gender, ethnicity, or physical or cognitive ability. The activities proposed by the title are designed to reduce or eliminate barriers for all Americans in achieving and maintaining optimal health.

Subtitle A: Modernizing Our Disease Prevention and Public Health Systems

Synopsis: This subtitle provides for an enhanced national strategy to prevent disease, promote health, and build our public health system. Health promotion activities will be supported and coordinated on the federal level. In addition, the most effective disease prevention strategies will be identified and promoted in a nationwide campaign.

National Prevention, Health Promotion and Public Health Council: Creates an interagency council dedicated to promoting healthy policies at the federal level. The Council shall consist of representatives of federal agencies that interact with federal health and safety policy, including the departments of HHS, Agriculture, Education, Labor, Transportation, and others. The Council will establish a national prevention and health promotion strategy and develop interagency working relationships to implement the strategy. The Council will report annually to Congress on the health promotion activities of the Council and progress in meeting goals of the national strategy. [S 301]

Prevention and Public Health Investment Fund: Establishes a Prevention and Public Health Investment Fund. The goal of the Investment Fund is to provide an expanded and sustained national investment in prevention and public health programs to improve health and help restrain the rate of growth in private and public sector health care costs. This will involve a dedicated, stable funding stream for prevention, wellness and public health activities authorized by the Public Health Service Act. [S 302]

Clinical and Community Preventive Services: Expands the efforts of, and improves the coordination between, two task forces which provide recommendations for preventive interventions. The U.S. Preventive Services Task Force is an independent panel of experts in primary care and prevention that systematically reviews the evidence of effectiveness of clinical preventive services such as colorectal cancer screening or aspirin to prevent heart disease,

and develops recommendations for their use. The Community Preventive Services Task Force uses a public health perspective to review the evidence of effectiveness of population-based preventive services such as tobacco cessation, increasing physical activity and preventing skin cancer, and develops recommendations for their use. [§ 303]

Education and Outreach Campaign Regarding Preventive Benefits: Directs the Secretary to convene a national public/private partnership for the purposes of conducting a national prevention and health promotion outreach and education campaign. The goal of the campaign is to raise awareness of activities to promote health and prevent disease across the lifespan. [§ 304]

Subtitle B: Increasing Access to Clinical Preventive Services

Synopsis: This subtitle enhances access to comprehensive primary medical, dental, and behavioral health care services that are key to prevention and wellness, especially for vulnerable populations and underserved communities.

Right Choices Program: Establishes a temporary program giving uninsured adults access to preventive services. The Right Choices Program would provide chronic disease health risk assessment, a care plan, and referrals to community-based resources for low-income, uninsured adults until universal insurance coverage is made available through the Gateway. The program could significantly improve the health of working age adults as they enter the healthcare system, offering significant long-term cost savings. [§ 311]

School-based Health Clinics: Authorizes a grant program for the operation and development of School-based Health Clinics, which provide comprehensive and accessible preventive and primary health care services to medically underserved children and families. The goal of establishing such clinics is to improve the physical health, emotional well-being and academic performance of the populations they serve. The clinics will work in collaboration with schools to integrate health into the overall school environment. [§ 312]

Oral Healthcare Prevention Activities: Establishes an oral healthcare prevention education campaign at CDC focusing on preventive measures and targeted towards key populations including children and pregnant women. Creates demonstration programs on oral health delivery and strengthens surveillance capacity. [§ 313]

Subtitle C: Creating Healthier Communities

Synopsis: This subtitle enables health improvement to occur in communities as well as in medical settings. Most chronic diseases can be prevented through lifestyle and environmental changes. Community prevention programs encourage physical activity, good nutrition, and the reduction of tobacco use, making it easier for individuals to make healthy choices.

Community Transformation Grants: This section authorizes the Secretary to award competitive grants to eligible entities for programs that promote individual and community health and prevent the incidence of chronic disease. Communities can carry out programs to prevent and reduce the incidence of chronic diseases associated with overweight and obesity, tobacco use, or mental illness; or other activities that are consistent with the goals of promoting healthy communities. [§ 321]

Healthy Aging, Living Well: The goal of this program is to improve the health status of the pre-Medicare-eligible population to help control chronic disease and reduce Medicare costs. The CDC would provide grants to states or large local health departments to conduct pilot programs in the 55-to-64 year old population. Pilot programs would evaluate chronic disease risk factors, conduct evidence-based public health interventions, and ensure that individuals identified with chronic disease or at-risk for chronic disease receive clinical treatment to reduce risk. Pilot programs would be evaluated for success in controlling Medicare costs in the community. [§ 322]

Wellness for Individuals with Disabilities: Amends the Americans with Disabilities Act to establish standards for accessibility of medical diagnostic equipment to individuals with disabilities. [§ 323]

Immunizations: Authorizes states to purchase adult vaccines under CDC contracts. Currently, 23 states purchase vaccines under CDC contracts. These contracts for adult vaccines provide savings that range from 23-69 percent compared to the private sector cost. Authorizes a demonstration program to improve immunization coverage. Under this program, CDC will provide grants to states to improve immunization coverage of children, adolescents, and adults through the use of evidence-based interventions. States may use funds to implement interventions that are recommended by the Community Preventive Services Task Force, such as reminders or recalls for patients or providers, or home visits. Reauthorizes the Immunization Program in Section 317 of the Public Health Service Act. [§ 324]

Menu Labeling: This initiative represents a compromise between the Menu Education and Labeling (MEAL) Act, sponsored by Senator Harkin, and the Labeling Education and Nutrition (LEAN) Act, sponsored by Senators Carper and Murkowski. Under the terms of the compromise, a restaurant that is part of a chain with 20 or more locations doing business under the same name (other restaurants are exempt) would be required to disclose calories on the menu board and in a written form, available to customers upon request, additional nutrition information pertaining to total calories and calories from fat, as well as amounts of fat, saturated fat, cholesterol, sodium, total carbohydrates, complex carbohydrates, sugars, dietary fiber, and protein. [§ 325]

Encouraging a Healthy Start: This initiative would amend the Fair Labor Standard Act to require employers to provide break time and a place for breastfeeding mothers to express milk. This would not apply to an employer with fewer than 50 employees, and there are no monetary damages.

Encouraging Employer-Sponsored Wellness Programs: This provision provides more flexibility under HIPAA and expands the amount that is allowed for employers to reward employees for participating in wellness programs from 20 percent (current law) to 30 percent premium discount. It also allows the Secretaries of Health and Human Services, Department of Labor and Department of Treasury to increase this reward to 50 percent if deemed appropriate. Lastly it also includes important provisions to ensure discriminatory practices do not occur.

Subtitle D: Support for Prevention and Public Health Innovation

Synopsis: This subtitle provides support for prevention and public health research. We must develop tools and interventions to address new public health challenges and build the evidence base for public health interventions that improve the health and safety of the nation.

Research on Optimizing the Delivery of Public Health Services: The Secretary, acting through the Director of CDC, shall provide funding for research in the area of public health services and systems. This research shall include examining best practices relating to prevention, analyzing the translation of interventions from academic institutions to clinics and communities, and identifying effective strategies for delivering public health services in real world settings. CDC shall annually report research findings to Congress. [§331]

Data Collection, Analysis, and Quality: Ensures that any ongoing or new federal health program achieve the collection and reporting of data by race, ethnicity, geographic location, socioeconomic status, health literacy, primary language and any other indicator of disparity. The Secretary shall analyze data collected to detect and monitor trends in health disparities and disseminate this information to the relevant federal agencies. The Secretary shall also award grants to develop appropriate methods to detect and assess health disparities. [§ 332]

Health Impact Assessments: Establishes a program at the Centers for Disease Control and Prevention to support the development of health impact assessments and dissemination of best practices related to health impact assessments. The Centers for Disease Control shall award grants to State or local governments working in coalitions with

community-based organizations, public health agencies, health care providers or academic institutions to implement, further support or conduct research on health impact assessments. [§333]

CDC and Employer-based Wellness Programs: The Centers for Disease Control and Prevention will study and evaluate best employer-based wellness practices and provide an educational campaign and technical assistance to promote the benefits of worksite health promotion to employers. [§ 334]

Environmental Health Tracking: Establishes a Coordinated Environmental Public Health Network. This network will build upon and coordinate among existing environmental and health data collection systems and create state environmental public health networks. State networks will track the incidence, prevalence, and trends of priority chronic conditions and potentially related environmental exposures, paying particular attention to low income and minority communities.

Title IV. HEALTH CARE WORKFORCE

Synopsis: This title seeks to improve access to and the delivery of health care services for all individuals, particularly low income, underserved, uninsured, minority, health disparity, and rural populations by: gathering and assessing comprehensive data in order for the health care workforce to meet the health care needs of individuals, increasing the supply of a qualified health care workforce, enhancing health care workforce education and training, and providing support to the existing health care workforce to improve access to and the delivery of health care services for all individuals.

Subtitle B. Innovations in the Health Care Workforce

National Health Care Workforce Commission: Establishes national commission tasked with reviewing health care workforce and projected workforce needs. The overall goal of the commission is to provide comprehensive, unbiased information to Congress and the Administration about how to align federal health care workforce resources with national needs. Information could be utilized by the Congress when providing appropriations to discretionary programs or in restructuring other federal funding sources. The Commission would leverage existing federal resources and programs including the expertise and work of: the U.S. Department of Health and Human Service, including the Health Resources and Services Administration, the U.S. Department of Education, and the U.S. Department of Labor, and other appropriate federal agencies. (§ 411)

State health care workforce development grants: Competitive grants are established for the purpose of enabling state partnerships to complete comprehensive planning and to carry out activities leading to coherent and comprehensive health care workforce development strategies at the state and local levels. Grants would be used to support innovative approaches to increase the number of skilled health care workers such as health care career pathways for young people and adults. (§ 412)

Health care workforce program assessment: One national and multiple regional centers for health workforce analysis are established to collect, analyze and report data related to Title VII. The centers will coordinate with state and local agencies collecting labor and workforce statistical information and coordinate and provide analyses and reports on Title VII programs to the Commission. (§ 413)

Subtitle C. Increasing the Supply of the Health Care Workforce

Federally supported student loan funds: Current law is amended to ease criteria for schools and students to qualify for loans, shorten payback periods, and ease the non-compliance provision. (§ 421)

Nursing student loan program: Increases the grant amounts and updates the years for nursing schools to establish and maintain student loan funds. (§ 422)

Health care workforce loan repayment programs: Establishes a loan repayment program for pediatric subspecialists and providers of mental and behavioral health services to children and adolescents who are or will be working in a Health Professional Shortage Area, Medically Underserved Area, or with a Medically Underserved Population. (§ 423)

Public health recruitment and retention program: Offers offer loan repayment for a relevant public health professions degree to full time employees in federal, state, local or tribal public health agencies in exchange for working at least 3 years. (§ 424)

Allied health recruitment and retention program: Offers loan repayment for a relevant allied health professions degree to full time employees in federal, state, local or tribal public health agencies or in settings where patients might require health care services, including acute care facilities, ambulatory care facilities, residences, and other settings located in Health Professional Shortage Areas, Medically Underserved Areas, or with Medically Underserved Populations. (§ 425)

Grants for states and local programs: Mid-career professional programs: Allows the Secretary to award grants to eligible entities for scholarships to mid-career public and allied health professionals employed in public and allied health positions at the Federal, State, tribal, or local level to receive additional training in public or allied health fields. (§ 426)

National Health Service Corps: Increases and extends the authorization of appropriations for the National Health Service Corps scholarship and loan repayment program for FY10-15, and provides increased funding. (§ 427)

Nurse-managed health clinics: Strengthens the safety-net and ensure that medically underserved have access to primary care and wellness services by creating a \$50 million grant program to support nurse-managed health clinics to be administered by the Health Resources and Services Administration's Bureau of Primary Health Care. (§ 428)

Elimination of cap on Commissioned Corps: Eliminates the artificial cap on the number of Commissioned Corps members, allowing the Corps to expand to meet national public health needs. (§ 429)

Establishing a ready reserve corps: Establishes a Ready Reserve Corps within the Commissioned Corps for service in time of national emergency. Ready Reserve Corps members may be called to active duty to respond to national emergencies and public health crises and to fill critical public health positions left vacant by members of the Regular Corps who have been called to duty elsewhere. (§ 430)

Subtitle D. Enhancing Health Care Workforce Education and Training

Training in family medicine, general internal medicine, general pediatrics, and physician assistantship: Provides grants to develop and operate training programs, financial assistance of trainees and faculty, and faculty development in primary care and physician assistant programs. This section provides grants to establish, maintain and improve academic units in primary care. Priority is given to programs that educate students in team-based approaches to care, including the patient-centered medical home. Authorization is \$125 million. (§ 431)

Training opportunities for direct care workers: Authorizes \$10 million over three years to establish new training opportunities for direct care workers (CNAs, home health aides and personal/home care aides) already employed in long-term care facilities. (§ 432)

Training in general, pediatric, and public health dentistry: This provision reinstates dental funding under its own Title. It makes dental programs eligible for grants now only available to medical schools, and authorizes a dental faculty loan repayment. This section allows dental schools and education programs to use grants for pre-doctoral training, faculty development, and academic administrative units. Educating dental students to provide oral health care to patients whose medical, physical, psychological, cognitive or social situations require modifying normal dental routines to provide treatment is included as a priority. Authorization for \$30 million annually is provided. (§

433)

Alternative dental health care provider demonstration project: Authorizes the Secretary to award grants to establish training programs for alternative dental health care providers to increase access to dental health care services in rural and underserved communities. (§ 434)

Geriatric education and training: Authorizes \$12 million to geriatric education centers to support training in geriatrics, chronic care management, and long-term care for faculty in health professions schools and family caregivers; develops curricula and best practices in geriatrics; expands the geriatric career awards to advanced practice nurses, clinical social workers, pharmacists, and psychologists; and establish traineeships for individuals who are preparing for advanced education nursing degrees in geriatric nursing. (§ 435)

Mental and behavioral health education and training grants: Grants are awarded to schools for development, expansion, or enhancement of training programs in social work, graduate psychology, professional training in child and adolescent mental health, and pre-service or in-service training to paraprofessionals in child and adolescent mental health. (§ 436)

Cultural competency, prevention and public health and individuals with disabilities training: Creates a program to support the development, evaluation, and dissemination of model curricula for cultural competency, prevention, and public health proficiency and aptitude for working with individuals with disabilities training for use in health professions schools and continuing education programs. (§ 437)

Advanced nursing education grants: Strengthens language for accredited Nurse Midwifery programs to receive advanced nurse education grants in Title VIII. (§ 438)

Nurse education, practice, and retention grants: Awards grants to nursing schools to strengthen nurse education and training programs and to improve nurse retention. (§ 439)

Loan repayment and scholarship program: Adds faculty at nursing schools as eligible individuals for loan repayment and scholarship programs. (§ 440)

Nurse faculty loan program: Establishes a federally-funded student loan repayment program for nurses with outstanding debt who pursue careers in nurse education. Nurses agree to teach at an accredited school of nursing for at least 4 years within a 6-year period. (§ 441)

Grants to promote the community health workforce: Authorizes the Secretary to award grants to states, public health departments, federally qualified health centers, and other nonprofits to promote positive health behaviors for populations in medically underserved areas through the use of community health workers. (§ 443)

Youth public health program: Establishes a youth public health program to expose and recruit high school students into public health careers. (§ 444)

Fellowship training in epidemiology, public health lab science, public health informatics, and epidemic intelligence service: Authorizes the Secretary to address workforce shortages in state and local health departments in applied public health epidemiology and public health laboratory science and informatics. (§ 445)

Public Health Sciences Track: Directs the Surgeon General to establish a U.S. Public Health Sciences Track to train physicians, dentists, nurses, physician assistants, mental and behavior health specialists, and public health professionals emphasizing team-based service, public health, epidemiology, and emergency preparedness and response in affiliated institutions. Students receive tuition remission and a stipend and are accepted as Commission Corps officers in the U.S. Public Health Service with a 2 year service commitment for each year of school covered. Substantial training occurs in Health Professions Shortage Areas in preparation for practice in these sites.

Subtitle E. Supporting the Existing Health Care Workforce

Centers of excellence: The Centers of Excellence program, focusing on development of a minority applicant pool to enhance recruitment, training, academic performance and other supports for minorities, is reauthorized at 150% of 2005 appropriations, \$50 million. (§ 451)

Health professions training for diversity: Provides scholarships for disadvantaged students who commit to work in medically underserved areas as primary care providers. Funding is increased from \$37 to \$51 million for 2009 through 2013. This section increases loan repayments for individuals who will serve as members of faculties of eligible institutions from \$20,000 to \$30,000. (§ 452)

Interdisciplinary, community-based linkages: This section establishes community-based training and education grants for Area Health Education Centers (AHECs) and Programs. Two programs are supported—Infrastructure Development Awards and Points of Service Enhancement and Maintenance Awards targeting individuals seeking careers in the health professions from urban and rural medically underserved communities. Authorization is for \$125 million annually 2009 through 2013. (§ 453)

Workforce diversity grants. Expands the allowable uses of diversity grants to include completion of associate degrees, bridge or degree completion program, or advanced degrees in nursing, as well as pre-entry preparation, advanced education preparation, and retention activities. (§ 454)

Primary care extension program: Creates a Primary Care Extension Program to educate and provide technical assistance to primary care providers about evidence-based therapies, preventive medicine, health promotion, chronic disease management, and mental health. The Center for Primary Care, Prevention, and Clinical Partnerships at the Agency for Healthcare Research and Quality (AHRQ) will award planning and program grants to state hubs including, at a minimum, the state health department, state-level entities administering Medicare and Medicaid, and at least one health professions school. These state hubs may also include Quality Improvement Organizations (QIOs), Area Health Education Centers (AHECs), and other quality and training organizations. (§ 455)

Title V. FIGHTING HEALTH CARE FRAUD AND ABUSE

Synopsis: The National Health Care Anti-Fraud Association (NHCAA) estimates that three percent of all health care spending – or \$72 billion – is lost to health care fraud perpetrated against public and private health plans. Other government and law enforcement agencies estimate losses from fraud as high as ten percent. Fraud committed against both public and private plans, increases the cost of medical care and health insurance for employers, families, and taxpayers, and undermines public trust in our health care system.

Subtitle A. Establishment of New Health and Human Services (HHS) and Department of Justice (DOJ) Health Care Fraud Positions

Synopsis: The HHS Secretary will appoint a new Senior Advisor for Health Care Fraud. The Attorney General will appoint a Senior Counsel for Health Care Fraud Enforcement.

This section creates non-career, Schedule C-level, senior positions within HHS and DOJ with primary oversight and coordination responsibility for each Department's overall health care fraud efforts, and oversight of implementation of the Program Integrity Coordinating Council's (PICC) responsibilities. Persons serving in these positions will serve as "point persons" for purposes of inter-agency coordination, coordination of program integrity efforts with

respect to private plans, and coordination with State entities such as insurance regulators and State Medicaid Fraud Control Units. (§ 501, 502)

Subtitle B. Health Care Program Integrity Coordinating Council (PICC)

Synopsis: A coordinating council is established to coordinate strategic planning among federal agencies involved in health care integrity and oversight.

HIPAA established a national Health Care Fraud and Abuse Control Program (HCFAC), under the joint direction of the Secretary of Health and Human Services (HHS), acting through the Department's Inspector General (HHS-OIG), and the Attorney General of the United States. HCFAC was intended to facilitate collaboration among federal, state, and local law enforcement activities with respect to health care fraud and abuse. The proposed Health Care Program Integrity Coordinating Council (PICC) would retain the current HCFAC Program structure, and establish additional formal coordination and strategic planning roles for the federal agencies involved in health care integrity and oversight.

The PICC will develop a strategic plan to improve the efficacy of the HCFAC Program to ensure coordination of fraud prevention efforts. The PICC will develop and issue guidelines to federal agencies to carry out the HCFAC Program. The PICC will recommend measures to estimate the amount of fraud, waste and abuse in connection with public and private plans, and the annual savings resulting from specific program integrity measures. (§ 511)

Subtitle C. False Statements and Representations

Synopsis: Employees and agents of Multiple Employer Welfare Arrangements (MEWAs) will be subject to criminal penalties if they provide false statements in marketing materials regarding a plan's financial solvency, benefits provided, or regulatory status.

This section amends criminal penalties provisions in ERISA, 29 U.S.C. § 1131, to add a prohibition against false statements frequently used by corrupt operators and marketers of MEWAs without requiring that false statements be contained in ERISA-required documents. Examples of such false statements include misrepresentations regarding the financial solvency or regulatory status of a plan or other arrangement by MEWA operators undertaken to generate business and evade state regulation.

Currently, 18 U.S.C. § 1027 criminalizes the making of false statements and omissions in connection with the operation of ERISA plans, but is limited to false statements or concealments contained in documents that must be kept, published, or certified under title I of ERISA. Consequently, Section 1027 does not reach misrepresentations of fact in marketing materials used by corrupt operators and marketers to induce employers or employee organizations to purchase particular health care claims coverage for their respective employees or members. (§ 521)

Subtitle D. Federal Health Care Offense

Synopsis: The Department of Justice will be permitted to prosecute crimes involving MEWAs. The agency does not currently have this authority. This change in the law will enable the agency to seize the proceeds of health care offenses, employ administrative subpoenas, and enjoin ongoing criminal activities.

Revised section 24(a)(2) of Title 18 adds three crimes relating to MEWAs to the list of federal health care offenses. The proceeds of these federal health care offenses will become subject to criminal forfeiture under 18 U.S.C. § 982(a)(7), and the offenses themselves will also be included as specified unlawful activity for money laundering offenses at 18 U.S.C. § 1956(c)(7)(F). Designation of these crimes as federal health care offenses will permit employment of an administrative subpoena provision at 18 U.S.C. § 3486, to facilitate government investigation of fraud and abuse involving such offenses.

The designation authorizes the Attorney General to commence a civil action under 18 U.S.C. § 1345 to enjoin an ongoing violation of these criminal statutes. An action by the United States to promptly enjoin and prevent the future sale or marketing of a health care benefit program's health insurance product is needed where corrupt insurers are sponsoring, marketing, and selling health care insurance and claims products in multiple states. (§ 531)

Subtitle E. Uniformity in Fraud and Abuse Reporting

Synopsis: To facilitate consistent reporting by private health plans of suspected cases of fraud and abuse, a model uniform reporting form will be developed by the National Association of Insurance Commissioners, under the direction of the HHS Secretary.

This section encourages the development of a model uniform reporting form for private health plans seeking to refer suspected cases of fraud and abuse to State Insurance Departments for investigation. The current lack of uniformity is an impediment to consistent reporting that can be compared and analyzed across state lines, and thus a hindrance to more effective anti-fraud activities. The Secretary of Health and Human services will request that the National Association of Insurance Commissioners develop recommendations for uniform reporting standards for such referrals. (§ 541)

Subtitle F. Applicability of State Law to Combat Fraud and Abuse

Synopsis: The Department of Labor will adopt regulatory standards and/or issue orders to prevent fraudulent MEWAs from escaping liability for their actions under state law by claiming that state law enforcement is preempted by federal law.

Fraudulent insurance plans often escape accountability under state insurance laws and regulations by claiming that federal law preempts the application of state law to their actions. When cases are brought against fraudulent plans in state courts, plans allege that state courts do not have jurisdiction. Two laws are often abused: ERISA and the Liability Risk Reduction Act. Many fraudulent plans claim they are employer-sponsored plans subject to ERISA and not "in the business of insurance," as defined in ERISA. If the plans were "in the business of insurance" they would, under ERISA, be subject to state insurance laws and could be held responsible for their fraudulent activities. The preemption provisions in ERISA and the Liability Risk Reduction Act are complex. Fraudulent plans take advantage of this complexity to evade justice. To circumvent fraudulent plans' efforts, the Department of Labor will be authorized to adopt regulations establishing, and issue orders relating to, when an entity engaging in the business of the insurance is subject to state law. These standards and orders will make clear when a plan is subject to state law. (§ 551)

Subtitle G. Enabling the Department of Labor to Issue Administrative Summary Cease and Desist Orders and Summary Seizures Orders against Plans in Financially Hazardous Condition.

Synopsis: The Department of Labor will be authorized to issue "cease and desist" orders to temporarily shut down operations of plans conducting fraudulent activities or posing a serious threat to the public, until hearings can be completed. If it appears that a plan is in a financially hazardous condition, the agency may seize the plan's assets.

The section authorizes the Department of Labor to issue cease and desist orders if it appears to the Secretary that a plan's alleged conduct is fraudulent, or creates an immediate danger to public safety or welfare, or is causing significant, imminent, and irreparable public injury. A person adversely affected by the issuance of a cease and desist order may request a hearing regarding such order. The burden of proof in this hearing will be on the party requesting the hearing to show cause why the cease and desist order should be set aside. Based on evidence, the cease and desist order may be affirmed, modified, or set aside in whole or in part. DOL may issue a summary seizure order if it appears an entity is in financially hazardous condition. States will be empowered to act quickly through administrative orders to shut down illegal and financially hazardous insurance schemes. (§521)

Subtitle H. Requiring Multiple Employer Welfare Arrangement (MEWA) plans to file a registration form with the Department of Labor prior to enrolling anyone in the plan.

Synopsis: Multiple Employer Welfare Arrangements (MEWAs) are a type of employer-sponsored plan involving two or more employers, rather than a single employer. Employers join together to negotiate cheaper premiums. MEWAs have been prone to fraud. To protect the public, MEWAs will be required to file their federal registration forms, and thereby be subject to government verification of their legitimacy,

before enrolling anyone.

MEWAs are required to file a Form M-1 with the Department of Labor each year. The annual reporting of the Form M-1 is helpful to states. In certain situations, plans are able to operate for more than a year before filing the M-1. It is helpful to states to have basic information about entities operating in their state without a time delay that works to the advantage of those who seek to operate illegally. The registration would provide basic information about the entity, where the entity will operate, and what exclusion from state authority they may claim. (§ 571)

Subtitle I. Permitting Evidentiary Privilege and Confidential Communications.

Synopsis: This section permits the Department of Labor to allow confidential communication among public officials relating to investigation of fraud and abuse.

The section creates an optional federal privilege that would include all confidential communications among state regulators (and the NAIC) and federal regulators to conduct regulatory oversight of an entity subject to regulation. This will enable federal and state regulators to communicate on a confidential basis. Currently, such confidential communication requires adoption by both entities of a Memorandum of Understanding - a time-consuming process. People perpetrating fraudulent and abusive schemes seek victims and don't care whether the mechanism to do so is health, property, life, annuity or other insurance product or some other financial product. The same operators or even schemes often show up in multiple ways.

Title VI: Improving Access to Innovative Medical Therapies

Subtitle A—Biologics Price Competition and Innovation

Synopsis: This section establishes a pathway for licensure of a biological product based on its similarity to a previously licensed biological product (reference product).

The Biologics Price Competition and Innovation Act of 2009 requires HHS to license a biological product that is shown to be biosimilar to or interchangeable with a licensed biological product, commonly referred to as a reference product.

The Act prohibits the approval of an application as either biosimilar or interchangeable until 12 years from the date on which the reference product is first approved.

If FDA approves a biological product on the grounds that it is interchangeable to a reference product, HHS is prohibited from making a determination that a second or subsequent biological product is interchangeable to that same reference product until 1 year after the first commercial marketing of the first interchangeable product.

The Act authorizes HHS to issue guidance with respect to the licensure of biological products under this new pathway, and it includes provisions governing patent infringement concerns such as the exchange of information, good faith negotiations, and initiation infringement actions.

The Act also requires HHS to develop recommendations for Congress with respect to the goals for the process for the review of biosimilar biological product applications for the first five fiscal years after FY 2012.

Subtitle B—More Affordable Medicines for Children and Underserved Communities

Expanded Participation in 340B Program: Section 340B of the Public Health Service Act enables safety-net hospitals and other providers serving a large volume of low-income and uninsured patients to access significant discounts on pharmaceuticals. These discounts now are mandated only in outpatient settings. While the MMA of 2003 permits pharmaceutical companies to offer these discounts on the inpatient setting, there have been few instances of such discounts being offered. This section amends the 340B Program in these ways: 1) Expanding the

drug discount program to allow participation as a covered entity by free-standing children's hospitals, free-standing cancer hospitals, rural referral centers, sole community hospitals which have a disproportionate share hospital percentage greater than eight percent, and all critical access hospitals; 2) Expanding the program to include a drug used in connection with an inpatient service by enrolled hospitals; 3) Allowing enrolled hospitals to obtain inpatient drugs through a group purchasing agreement or the 340B Prime Vendor Program; and 4) Requiring hospitals enrolled in the 340B program to provide a credit to each state on the estimated annual costs of covered drugs provided to Medicaid recipients for inpatient use. (§ 611)

Improvements to 340B Program Integrity: Improves the integrity of the 340B Program by: 1) Requiring the Secretary to carry out activities to increase compliance by manufacturers and covered entities with the requirements of the drug discount program; 2) Establishing an administrative process to resolve claims by covered entities and manufacturers of violations of such requirements; and 3) Providing clarifications about the ceiling price used to sell to 340B participants. (§ 612)