

**“HEALTH CARE AND EDUCATION RECONCILIATION ACT OF 2010”  
WHAT THE NEW LAW DOES \***

**2010**

- Offers small businesses that choose to provide insurance to employees' tax credits of up to 35 percent of premiums (effective immediately)
- Provides rebates up to \$250 to seniors paying out-of-pocket drug costs due to the "doughnut hole" gap in Medicare prescription drug coverage (immediately)
- Prohibits insurers from dropping customers when they get sick (effective six months after enactment)
- Prohibits denial of coverage for children with pre-existing conditions (six months)
- Prohibits lifetime caps on insurance payouts to the chronically ill (six months)
- Allows children to remain on parents' insurance plans until age 26 (six months)

**2011**

- Requires insurers to spend at least 80 percent of premiums on medical services
- Begins phased-in fees and taxes on the health industry, starting with a \$2.3 billion annual fee on drug makers

**2013**

- Imposes an additional 3.8 percent tax on investment income, and a 0.9 percent Medicare tax, on families with annual incomes above \$250,000

**2014**

- Imposes an individual mandate-enforced by escalating fines starting at 1 percent of income-requiring most uninsured Americans to purchase insurance
- Provides subsidies to individuals and families with incomes up to 400 percent above the poverty line (\$88,200 for a family of four) to help them buy health insurance
- Expands eligibility for Medicaid to anyone earning up to 133 percent of the poverty level-about \$29,300 for a family of four
- Requires most employers to provide coverage to employees or pay penalties
- Prohibits denial of coverage of anyone with a pre-existing condition
- Establishes health-insurance exchanges to serve as a competitive insurance market, enabling those without employer-based insurance to shop for coverage

**2018**

- Imposes excise tax on "Cadillac" employer provided health plans valued at more than \$27,500 (family) or more than \$10,200 (single)
- Completes multiyear expansion of health insurance to 32 million citizens.

\* From: *The Week Magazine*, April 2, 2010