

## H.R. 3200, “AMERICA’S AFFORDABLE HEALTH CHOICES ACT”

### Summary of Changes in the Chairman’s Amendment in the Nature of a Substitute

**Amends Sec. 401 – Tax on Individuals without Acceptable Health Care Coverage.** Clarifies that if an individual is required to provide health coverage for a child pursuant to a child support order, the child is treated as a qualifying child of such individual (and not as a qualifying child of another individual).

**Amends Sec. 421 – Credit for Small Business Employee Health Coverage Expenses.** Clarifies that the small business tax credit is available for contributions to provide health coverage on behalf of employees who perform services for the employer’s trade or business.

**Amends Sec. 441 – Health Care Surcharge on the Top 1.2% of Earners.** Clarifies the calculation of modified adjusted gross income.

**Adds Sec. 442 – Distributions for Medicine Qualified only if for Prescribed Drug or Insulin.** Provides that an excludable expense reimbursement for a medicine or a drug from a health savings account or Archer medical savings account, or under a health reimbursement or flexible spending arrangement, is limited to a prescribed drug or insulin.

**Amends Sec. 442 – Delay Implementation of Worldwide Allocation of Interest.** Renumbers section 442 as section 443.

**Adds Sec. 461 – Certain Health Related Benefits Applicable to Spouses and Dependents Extended to Eligible Individuals.** Provides that the income and payroll tax exclusion for employer provided health coverage includes an individual who is eligible to receive coverage under the employer’s health plan, and makes similar changes with respect to the deduction for health coverage for self employed individuals.

**Amends Sec. 1111 – Payments to Skilled Nursing Facilities.** Clarifies the items to be analyzed for the future SNF case mix classification system and terms of implementation.

**Amends Sec. 1112 – Medicare DSH Report and Payment Adjustments in Response to Coverage Expansion.** Makes technical corrections to the payment adjustment.

**Adds Sec. 1113 – Extension of Hospice Regulation Moratorium.** Extends the hospice moratorium regulation enacted in section 4301(a) of the *American Recovery and Reinvestment Act of 2009* through fiscal year 2010.

**Amends Sec. 1148 – Durable Medical Equipment Program Improvements.** Makes technical corrections to the treatment of accreditation applications and treatment of oxygen rental periods in cases of supplier bankruptcy.

**Amends Sec. 1152 – Post Acute Services Payment Reform Plan and Bundling Pilot Program.** Clarifies the types of bundled payments included, requires an evaluation of the pilot program, and adds a study on and demonstration authority for bundling of payments for outpatient services.

**Amends Sec. 1158 – Revision of Medicare Payment Systems to Address Geographic Inequities.** Makes technical corrections to provisions that provide for the revision of payment rates that are found to be inequitable and funding for any such changes.

**Adds Sec. 1159 – Institute of Medicine Study of Geographic Variation in Health Care Spending and Promoting High-Value Care.** Initiates a study by the Institute of Medicine on geographic variation in health care spending. Directs the Institute to make recommendations on how to incentivize providers to furnish high-value care.

**Amends Sec. 1162 – Quality Bonus Payments.** Clarifies which plans are eligible for quality bonus payments, increases bonus payments for eligible plans and eliminates bonus payments to improved plans.

**Amends Sec. 1191 – Telehealth Expansion and Improvements.** Adds a new subsection that provides *additional means for credentialing of telehealth providers.*

**Amends Sec. 1233 – Advance Care Planning Consultation.** Corrects reference to physician assistants.

**Amends Sec. 1301 – Accountable Care Organization Pilot Program.** Clarifies that physicians from various specialties can be the primary point of care for beneficiaries in accountable care organizations.

**Amends Sec. 1302 – Medical Home Program.** Adds physician assistants to the definition of primary care for purposes of the medical home pilot program.

**Amends Sec. 1305-Coverage and Waiver of Cost-Sharing for Preventive Services.** Corrects reference to preventive services.

**Amends Sec. 1306 – Waiver of Deductible for Colorectal Cancer Screening Tests Regardless of Coding, Subsequent Diagnosis, or Ancillary Tissue Removal.** Adds reference to waive co-payment and deductibles for beneficiaries undergoing screening colonoscopy and ancillary tissue removal.

**Adds Sec. 1311 – Expansion of Medicare-Covered Preventive Services at Federally Qualified Health Centers.** Expands the number of preventive services reimbursed by Medicare when furnished by Federally Qualified Health Centers.

**Amends Sec. 1303 – Payment Incentive for Selected Primary Care Services.** Clarifies that a physician supervises physician assistants.

***Amends Sec. 1501 – Distribution of Unused Residency Positions.*** Corrects a drafting error.

***Adds Section. 1620 - Enforcement of Medicare Secondary Payer Provisions.*** Clarifies Medicare Secondary Payer statute with respect to who may bring an action and associated rules around such action.

***Adds Sec. 1906 – Assessment of Medicare Cost-Intensive Diseases and Conditions.*** Directs the Administrator of the Centers for Medicare and Medicaid Services to conduct an assessment of the diseases and conditions that are most cost-intensive for the Medicare program. Directs the Administrator to review and update that assessment and creates a fund for research into such diseases and conditions.