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American Academy of Pediatrics

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## Washington Report

by **Jamie Poslosky** • *Washington Correspondent*

# ABCs of health reform: What the new law means for children and pediatricians

Throughout the health reform process, the Academy has focused on three fundamental priorities for children and pediatricians, which are as simple as “A-B-C”—**Access** to covered services through appropriate payment rates and workforce improvements, age-appropriate **Benefits** in a medical home and health care **Coverage** for all children in the United States.

The Patient Protection and Affordable Care Act and the accompanying modifications not only address these goals, but also provide many additional benefits for children and pediatricians.

The health reform law will:

### Improve access to covered services:

- Improve the pediatric workforce for primary care and subspecialty care, including a new \$35,000 per year loan-forgiveness program for those who practice in subspecialty shortage areas (eligibility limited to three years).
- Invest an unprecedented \$8.3 billion in federal funds to bring parity to Medicaid and Medicare payments for primary care doctors. The increase applies to payments for evaluation and management codes recognized by Medicare starting in 2013, and is available to physicians with a specialty designation of internal medicine, family medicine or pediatrics.
- Fund state-based health insurance exchanges, which will make health insurance accessible for small businesses and individuals in each state. Once the exchanges are up and running in 2014, individuals and small businesses can compare and purchase health insurance online, among other places, at competitive prices.

### Provide age-appropriate benefits to children:

- Cover all *Bright Futures* services for children with private and public insurance as an immediate benefit for no co-pay.
- Provide comprehensive, essential benefits for newly established plans in the health insurance exchange, including habilitative care, pediatric services, oral and vision services. All plans will limit annual out-of-pocket expenses to \$5,000 per individual and \$10,000 per family.
- Develop children’s quality priorities and promote children’s quality measurement and reporting.
- Provide new funding for Medicaid medical home demonstration projects.



Speaker of the House Nancy Pelosi (D-Calif.) displays a copy of AAP’s *Bright Futures* during a press briefing on health reform at the U.S. Capitol March 15. Prior to the event, child health advocates and AAP leaders, including AAP President Judith S. Palfrey, M.D., FAAP, AAP Executive Director/CEO Errol R. Alden, M.D., FAAP, and AAP President-elect O. Marion Burton, M.D., FAAP, met with Speaker Pelosi to discuss how the health reform legislation impacts children.

### Increase health insurance coverage for children and families:

- Cover nearly 32 million children, parents and individuals with health insurance.
- Preserve the Children’s Health Insurance Program (CHIP) with funding until the end of fiscal year 2016 and provide a renewed federal funding commitment to states through 2019.
- This year, ban pre-existing condition exclusions for children, and eventually prevent children and adults from losing health insurance coverage if they become sick.
- Eliminate annual caps on health insurance coverage.
- This year, allow young adults to stay on their parents’ health insurance until age 26. In 2014, the law also will require Medicaid coverage to be extended up to age 26 to foster children who have aged out of the foster care system.
- Beginning this year, require health plans in the private sector to

provide a minimum level of coverage without cost-sharing for services such as immunizations; preventive care for infants, children and adolescents; and additional preventive care and screenings for women.

#### **Help small businesses afford health insurance:**

- This year, begin providing tax credits for small businesses — including many pediatric practices — to help cover costs for providing health insurance to employees. An estimated 4 million small businesses nationwide could qualify for the tax credit, which will provide a total \$40 billion in relief over the next 10 years. Millions of small business employees and their families also will be eligible for their own tax credits to purchase coverage through the health insurance exchanges if their firms do not offer coverage.
- Provide tax credits to small businesses that contribute at least 50% of the total cost of their employees' premiums.
- For 2010 through 2013, provide tax credits to eligible small businesses for up to 35% of their contribution toward the employee's health insurance premium.
- In 2014 and later, provide eligible small businesses that purchase coverage through the health insurance exchange with a tax credit for two years of up to 50% of their contribution.

#### **Support additional child and pediatric health initiatives of importance to the AAP:**

- Provide \$25 million in funding for the Childhood Obesity Demonstration Project, which was established through CHIP.
- Reauthorize the Emergency Medical Services for Children program, which provides grants to all 50 states to support activities related to pediatric emergency care.
- Provide incentives under the Best Pharmaceuticals for Children Act for the study of biological products in children.
- Establish a pathway for the approval of generic biological products that protects child safety.
- Increase awareness, education and research into congenital heart disease.
- Beginning this year, require Medicaid to cover tobacco cessation services for pregnant women. In 2011, cost-sharing for proven preventive services will be eliminated in Medicare and Medicaid.

AAP members can log on to the AAP Member Center and visit <http://FederalAdvocacy.aap.org> for resources related to health reform and other priority federal legislative issues, including a regularly updated Frequently Asked Questions document on how the health reform law will impact children and pediatricians.

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