

NBA NEWS BRIEF

U.S. House of Representatives passes H.R. 3590:

The Patient Protection and Affordable Care Act by a vote of 219 to 212

On March 21, 2010, the United States House of Representatives passed H.R. 3590, the Patient Protection and Affordable Care Act by a 219 to 212 vote. Additionally, the House passed H.R. 4872, the Healthcare and Education Affordability Reconciliation Act of 2010. H.R. 3590 was already passed by the Senate on December 24, 2009. Currently, H.R. 4872 is in front of the Senate for approval. If the bill passes the Senate, it is believed that President Obama will sign the Bill into law by March 23, 2010.

GENERAL INFORMATION

Under the Patient Protection and Affordable Care Act, health care coverage will be expanded to the 32 million Americans who are uninsured beginning in 2014. The bill will require almost every American to be insured or pay a fine. Starting this year, insurers would be forbidden from placing lifetime dollar limits on policies and from denying coverage to children because of pre-existing conditions. In addition, insurance companies will be prohibited from cancelling policies because someone files a claim. The bill also mandates that Medicaid be expanded to cover people with incomes up to 133 percent of the federal poverty level, \$29,327 a year, for a family of four. This particular provision has a great effect on African Americans as almost one fourth of Medicaid recipients are African American. Childless adults would be covered for the first time in 2014 and the federal government would pay for 100 percent of the costs for covering newly eligible individuals through 2016. The Congressional Budget Office estimates the bill will cost \$938 billion over the next ten years.

FEDERAL STUDENT LOAN PROGRAM CHANGES

H.R. 4872: The Health Care and Education Affordability Reconciliation Act of 2010 not only proposes major reform to the health care system, it also proposes a major revamping of federal student loan programs. For the past 45 years, the Federal Family Education Loan Program has authorized private financial institutions to issue tuition loans guaranteed by the federal government. If passed, this loan program will be eliminated. Instead, the Direct Loan Program will be expanded to save an estimated \$61 billion over the next ten years according to the Congressional Budget Office. \$36 billion of these savings will be shifted into the Pell

Grant program. The Federal Pell grant program provides need based grants to low income undergraduate and certain post-baccalaureate students to promote postsecondary education. As of 2000, over one fourth of Pell Grant eligible recipients were African American. The bill also sets automatic annual increases in the maximum Pell grant from \$5,350 this year to \$5,975 in 2017.

COMPREHENSIVE TORT REFORM

Notably absent from H.R. 3590, the Patient Protection and Affordable Care Act is any language regarding comprehensive tort reform. Earlier versions of the bill included a provision that provided incentive payments to each state that would develop an alternative medical liability law and eliminate attorney fees caps and caps on compensatory damages. President Obama also called for funding alternative demonstration projects, such as health courts, for resolving medical malpractice disputes. However, in the final bill currently before the Senate, no such language was included. Congressman Phil Gingrey (R-GA) of Georgia has proposed an amendment to the Healthcare and Education Affordability Reconciliation Act of 2010, which would put a cap on non economic damages and other reforms in H.R. 1086, the HEALTH Act, which seeks to enact medical liability reform in the states.

For additional information, please go to:

<http://www.whitehouse.gov/health-care-meeting/reform-means-you>