



Managers' Amendment to the Patient Protection and Affordable Care Act

Improving Quality and Controlling Costs

The Managers' Amendment to the *Patient Protection and Affordable Care Act* strengthens provisions in the underlying Senate bill to that will improve quality and constrain cost growth.

Expanding Delivery System Reforms

- ✓ **Provides Additional Authority to Expand Delivery System Reforms.** The Secretary of Health and Human Services would have authority to expand successful Medicare programs, including payment bundling and other value-based purchasing projects. In addition, the Secretary could incorporate private sector payment models into the Medicare Accountable Care Organization program.
- ✓ **Expands the Scope of the Independent Medicare Advisory Board.** The Board would be required to make recommendations on how the Federal government, Congress, and private entities can take steps to bring further value to the private health care system.
- ✓ **Provides Access to Medicare Data for Measuring Provider Performance.** The *Patient Protection and Affordable Care Act* provides a pathway for private sector purchasers to obtain Medicare data to measure provider/supplier performance. Extracts will be available to qualified purchasers that combine their data with Medicare to construct robust measures of provider and supplier performance. This will enable purchasers to create pay-for-performance programs that increase quality of care and efficiency in the health system.

Keeping Down the Cost of Coverage

- ✓ **Stronger medical loss ratios.** Health insurers will be required to spend more of their premium revenues on clinical services and quality activities, with less going to administrative costs and profits – or else pay rebates to policyholders. These stricter limits will continue even after the Exchanges begin in 2014, and apply to all plans, including grandfathered plans.
- ✓ **Accountability for excessive rate increases.** A health insurer's participation in the Exchanges will depend on its performance. Insurers that jack up their premiums before the Exchanges begin will be excluded – a powerful incentive to keep premiums affordable.

Enhancing Health Care Fraud Enforcement

- ✓ **Stronger enforcement tools.** The Managers' Amendment enhances fraud sentencing guidelines and increases subpoena authority relating to health care fraud to reduce fraud and save taxpayer dollars.

Cutting Bureaucracy and Providing More Price Information

- ✓ **Transactional standards.** The Managers' Amendment establishes a process for the creation of uniform standards for financial and administrative health care transactions to improve the operation of the health system and reduce costs.
- ✓ **Information about medical costs.** The Managers' Amendment allows for the establishment of medical reimbursement data centers to develop fee schedules and other database tools to reflect market rates for medical services.