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Major health care changes took effect in 2011

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In a year that included an attempted House repeal of the federal health care law, several court cases challenging its constitutionality and Republican candidate debates proposing a replacement plan, it can be difficult to dig through the rhetoric to determine just what the 2010 health care law has done.

The 2,400-page document and a multiyear and multistep implementation don't help with the confusion.

Proponents and foes say big pieces of the law have been enacted and have already affected millions of people's lives.

"It's complicated, but there are very many benefits affecting millions of people," said Don Berwick, who served as administrator of the Centers for Medicare and Medicaid Services until the beginning of December. "They will not know it's the Affordable Care Act, but it is."

In 2011, the law targeted specific groups of people -- mostly the young and senior citizens -- while the most argued about pieces won't come until 2014. Then, assuming the Supreme Court doesn't rule against the "individual mandate," the provision that requires most Americans to buy health insurance, millions more people will be affected.

Health insurance exchanges for people who don't receive insurance through their employers will start working as Medicaid expands through federal funding to include more people who can't afford insurance. Lower-income Americans will receive help paying their premiums.

"The vast majority of people who will benefit will start receiving benefits in January 2014," said Ron Pollack, founder of Families USA, a non-profit organization that promotes health care for everyone. "I would say a significant majority will still be confused by what's in the bill and what's in it for them -- but not the 20-year-olds and not the seniors."

In 2012, Medicare providers will be able to start affordable care organizations to improve quality and cut costs, while the government will implement rules making it easier to use electronic medical records and share data about which treatments work the best and which need improvement. Health and Human Services has designated 32 health care providers as members of the first wave of affordable care organizations that will start Jan. 1 and be eligible for bonus payments from Medicare if they meet savings and care targets.

Here are the five major changes in health care that occurred in 2011 because of the health care law:

A crackdown on fraud

The Justice Department recovered $2.9 billion in health care fraud funds in 2011, according to Vice President Biden. The government was on pace for an 85(PERCENT) increase in health care fraud prosecutions over last year, according to government documents.

In fiscal year 2010, the government prosecuted 731 health fraud cases. In fiscal year 2011, the government prosecuted 1,235 cases, a 69(PERCENT) increase over last year, according to the Transactional Access Records Clearinghouse, a non-profit group that uses government documents to track data. This is the highest number recorded since the group began keeping track 20 years ago.

In September, the government announced it charged 91 people in eight cities with what Attorney General Eric Holder called the biggest takedown in Medicare task force history: Those arrested were accused of trying to steal $295 million from Medicare.

The increase in fraud arrests comes, in part, because the law created longer prison terms for health fraud, increased the number of strike force teams that specialize in health fraud, and provided funding for technology that allows investigators to look for suspicious patterns in claims before the government pays the bills. Beginning in December, the government announced it would no longer automatically pay prescription drug bills, instead withholding money if officials saw evidence of fraud. Grants for Senior Medicare Patrols and health fraud teams have increased in states that deal with the most fraud, such as Florida, California, New York and Michigan.

The new rules have changed how officials fighting Medicare fraud do their jobs, said John Spiegel, director of the Medicare Program Integrity Group. "There are plenty of provisions in the Affordable Care Act to help with fraud fighting," he said. "We're consumed with doing that now."

Conservative opponents of the health care law say fighting fraud helps only at the margins.

"It's not going to change the structure of these programs," said Nina Owcharenko, director of the conservative Heritage Foundation's Center for Health Policy Studies. Fraud, she said, actually "shines a microscope on why they don't really work."

Private industry, Owcharenko said, has lower levels of fraud because it confronts it more quickly.

However, private insurers also benefit from the law's fraud provisions. By sharing data with insurance companies, the government has recovered millions of dollars of fraud money. In January, the FBI investigated 533 people in Puerto Rico who allegedly conspired with doctors to send false accidental injury claims and steal $7 million from American Family Life Insurance.

Relief for those 25 and younger

The law allows young adults ages 19 to 25 to stay on their parents' health insurance policies. That means, HHS Secretary Kathleen Sebelius said, that they can take entry-level jobs in fields they like, such as technology start-up firms, rather than take jobs just for the benefits. The law also allows young people with pre-existing conditions, such as heart problems or neurological disorders, to maintain health insurance.

Finally, the so-called invincibles have incentive not to decide they can live without insurance because they are young and healthy. That decision could leave them in debt in case of a medical emergency.

The number of young adults who took advantage of this provision: 2.5 million.

The percentage of adults ages 19 to 25 with health insurance rose from 66.7(PERCENT) in September 2010, when the provision took effect, to 71.9(PERCENT) in June, according to the Centers for Disease Control and Prevention's National Center for Health Statistics. Other age groups either fell or remained stable.

"This is just the beginning of the implementation," Pollack said. "I'm presuming that with each

passing month and year, the proportion will grow significantly."

In 2014, a provision in the health care law will kick in that makes it illegal to deny coverage to people with pre-existing conditions, meaning these young adults should never be excluded from health insurance.

Pollack said the change is designed to bring costs down for everyone else because a group that's less likely to become sick will pay into the same insurance pool as older people.

More benefits for senior citizens

Senior citizens have probably benefited the most this year from the law: Prescription drug costs have been reduced by 50(PERCENT) because of drug company discounts. Seniors can receive annual exams and some screenings without paying a co-pay, and they can receive free counseling if they screen positively for obesity to try to decrease heart disease, strokes and diabetes.

"Millions of senior citizens have now received preventive care benefits at no cost," Pollack said.

By the end of November, more than 24 million seniors had gone in for annual exams or screenings, meaning they went in before something started to bother them.

These benefits aren't really "free," because they're paid for by the taxpayers who fund Medicare, says the Heritage Foundation and the **Cato Institute,** a libertarian think tank.

The idea of the screenings is to allow physicians to detect problems, such as diabetes and heart disease, before they worsen enough to send patients to the hospital, which could cost more money in the long run.

Seniors benefited from a 50(PERCENT) discount on prescription drugs to help close the "donut hole," the gap between traditional and catastrophic coverage in the Part D drug benefit program. The law required drug companies to offer the discount to participate in the program.

Through the end of October, more than 2.65 million Medicare recipients saved a total of $1.5 billion on their prescriptions. That's an average of $569 per patient.

"Lots of seniors have found their medications are much more affordable," Berwick said. "The donut hole is finally starting to close."

HHS announced in August that, as benefits have gone up for seniors, Medicare prescription drug plan premiums would go down an average of 76 cents in 2012 from 2011.

Preventive care services for the privately insured

Insurance companies sent out notices last fall that their consumers could go in for annual exams, immunizations and screenings without paying a co-pay, deductible or co-insurance. This came as a requirement of the law for anyone who receives insurance through his employer or who is in a personal plan created after March 2010.

This meant they could be screened for diabetes, have their cholesterol levels checked or receive a mammogram without paying a co-pay or deductible. They could also receive counseling on smoking cessation, losing weight or managing depression.

Many plans already offered these services, so it has been hard to tell what effect this would have on premiums. The debate continues about whether catching problems early will ultimately save money later.

Edmund Haislmaier, senior research fellow at Heritage, said preventive health services, such as breast cancer screening, are "written as recommendations." He cited this year's

controversy over whether a woman should start screening at 40 or at 50 as an example of why he says there's not enough research to offer preventive services without costs to the consumer.

HHS Assistant Secretary of Health Howard Koh told senators in October that immunizing children saves $10 for every $1 spent. He said yearly costs for smokers are $2,000; for people who are obese, they are $1,400; and for people who have diabetes, they are $6,600 higher than for people without the disease. Koh said managing heart disease better could save $76 billion by 2023. Managing the seven leading chronic diseases could save $1 trillion by 2023.

Insurance for those with pre-existing conditions

This year, U.S. citizens denied access to insurance policies because they had pre-existing conditions could join the government's Pre-existing Condition Insurance Plan, found at PCIP.gov. The program is available to people who have not had insurance for at least six months.

This year, HHS worked to make it easier for people to join by cutting premiums in some states by up to 40(PERCENT). In Florida, the average monthly payment for a person older than 55 was $390. In July, it dropped to $234 a month.

The agency killed the requirement that people needed a letter from an insurance company denying them coverage. They need a letter from a doctor stating that they have a medical condition. The provision is meant as a bridge to 2014, when insurance agencies will not be able to deny coverage to anyone based on a medical condition.

Enrollment has been slow. By the end of October, about 41,500 people had enrolled.

Americans will see several more changes in 2012: Insurance companies must pay rebates to consumers when they spend more than 80(PERCENT) of deductibles on anything besides health care. Providers will form Affordable Care Organizations based around keeping patients healthy, rather than being paid by how many tests or surgeries they perform. And hospitals will be required to publicly release quality data that show how they do with heart attacks, heart failure, pneumonia, surgical care, health-care-associated infections and patient surveys.

Owcharenko said there's nothing she likes about the law and "nothing that wouldn't argue for its full repeal." She and other Republicans have argued that it should be replaced "piecemeal" with provisions they like.

Berwick said that people would change their ideas about the law if they understood it better and that it's "frustrating" that people don't understand the good it's doing. "I wish people were realizing now how much this is helping," he said. "If it were to go away, they'll lose this stuff right away."