



MANAGER'S AMENDMENT TO H.R. 4872, HEALTH CARE & EDUCATION AFFORDABILITY RECONCILIATION ACT

The nine-page manager's amendment that is being offered to H.R. 4872, Health Care and Education Affordability Reconciliation Act, contains mostly miscellaneous technical and minor changes to the bill. Five notable changes included in the manager's amendment include:

MEDICARE PART D DONUT HOLE

- Includes provisions that have the effect of closing the so-called "donut hole" (or coverage gap) in the Medicare prescription drug program faster – thereby reducing seniors' prescription drug costs even further.

REGIONAL DIVERSITY

- Includes about \$400 million, in 2010, to accelerate the phase-in of a Medicare physician practice expense adjustment for areas with below average practice expense payment rates.
- Includes about \$400 million, in 2011 and 2012, to provide an additional payment under the Medicare inpatient prospective payment systems to hospitals located in counties in the bottom quartile of counties as ranked by risk-adjusted spending per Medicare enrollee.

EXCISE TAX ON MEDICAL DEVICES

- Modifies the excise tax on importers and manufacturers of medical devices by lowering the rate from 2.9% to 2.3% and by broadening the base by eliminating the exclusion for Class I medical devices (except if such devices are of a type which is purchased by the general public at retail and for individual use,) raising the same \$20 billion over 10 years as the provisions in the reconciliation bill.

ELIMINATES EXEMPTION FOR BANK OF NORTH DAKOTA FROM BILL'S STUDENT LOAN REFORM PROVISIONS

- Eliminates an exemption that had been provided to the Bank of North Dakota from the bill's student loan reform provisions. This exemption would have allowed the Bank of North Dakota to continue to provide federally-guaranteed loans to college students. The bill converts, beginning July 1, 2010, all new federal student lending to the federal Direct Loan Program, instead of the federally-guaranteed student loan program.