

**HEALTH INSURANCE REFORM:
HIGHLIGHTS OF
MERGED SENATE DEMOCRATIC BILL**

BUDGET OVERVIEW

2010-2019

	<u>House</u>	<u>SFC</u>	<u>Merged</u>
Gross Spending	\$1,327	\$936	\$979
• For Coverage	(1,052)	(829)	(848)
Gross Savings	\$1,440	\$1,018	\$1,109
Deficit Impact	-\$112	-\$ 82	-\$130

COVERAGE OVERVIEW

(FY2019)

	<u>House</u>	<u>SFC</u>	<u>Merged</u>
Americans Covered (Ages < 65)	96%	94%	94+%*
Uninsured Reduction	36m	29m	31m

* Almost 98 % of all legal residents of all ages.

IMMEDIATE DELIVERABLES

- Bans life-time and restricts annual limits
- High risk pool for pre-existing conditions
- Assistance to seniors for prescription drugs
- Small business tax credits
- Free prevention benefits
- Early retiree assistance
- Requires more of insurance premiums be spent on health benefits
- Ban on arbitrary termination of coverage

PUBLIC OPTION: COMMITTEE BILLS

HELP Committee:

- Full National Option
- No Opportunity for States to Opt Out

Finance Committee:

- Non-Profit, Member-Run Insurance Option
(Co-Ops)

PUBLIC OPTION: MERGED BILL

Finance Committee Co-Ops

Modified Public Insurance Option:

- Voluntary: nobody has to use the public plan.
- Opt-out: states can enact a law opting-out.
- Level playing field: negotiates rates with providers, just like private plans.

AFFORDABILITY: COMMITTEE BILLS

HELP Committee:

- Premium cap at 1% of income for lowest-income
- Up to 12.5% at 400% FPL (\$88K for family of 4)

Finance Committee:

- Cap 2% of income for lowest-income
- Up to 12% at 300% FPL (\$66K for family of 4)
- Capped at 12% between 300 and 400% FPL

IMPROVED AFFORDABILITY: MERGED BILL

Premium cap 2% of income for lowest-income

Up to 9.8% at 300% FPL (\$66K for family of 4)

Capped at 9.8% between 300 and 400% FPL

EMPLOYER RESPONSIBILITY: COMMITTEE BILLS

HELP Committee:

- Employers w/ >25 workers must offer coverage or pay \$750 penalty per worker

Finance Committee:

- Employers w/ >50 workers pay national average tax credit for each subsidized worker in exchange
- Total employer contribution capped at \$400 per full time employee

EMPLOYER RESPONSIBILITY: MERGED BILL

Employers w/>50 workers that do not offer coverage pay \$750 per full-time worker if any worker receives an exchange tax credit.

Employers w/>50 workers that do offer coverage pay the lesser of \$3,000 for each full-time worker receiving a tax credit or \$750 for every worker.

Employers with waiting periods from 30-90 days pay a \$400-600 penalty per full-time worker in waiting periods. No waiting periods >90 days.

INDIVIDUAL RESPONSIBILITY: COMMITTEE BILLS

HELP Committee

- No penalty if premium exceeds 12.5% of income.
- \$750 penalty; family cap of \$3,000

Finance Committee

- No penalty if premium exceeds 8% of income.
- No penalty in first year.
- \$200 penalty 2nd year; phases up to \$750 by fourth year; family cap of \$1,500

INDIVIDUAL RESPONSIBILITY: MERGED BILL

No penalty if premium exceeds 8% of income.

Penalty starts at \$95 in 2014, rises to \$350 in 2015, and \$750 in 2016, w/indexing.

Parents pay 50% penalty for uncovered kids <18; capped at 3X adult penalty.

MEDICAID

Expansion up to 133% of poverty in 2014

Full federal funding for expansion populations
for 2014, 2015, and 2016

Revert to Finance Committee's matching rates
beginning in 2017

Eliminates Finance's "high need states" policy

ABORTION

Maintains current federal policy on abortion:

- Plans cannot be required to cover abortion.
- No federal funds for abortions, except in cases of rape, incest and life of the mother.
- Conscience protections for providers/facilities.
- No preemption of state or federal laws.
- State exchanges must include a plan w/ and w/o abortion coverage.

IMMIGRANTS

- No taxpayer dollars used to provide health insurance subsidies to undocumented people.
- Undocumented people are not allowed to use the exchange, even with personal funds.
- Verification provisions to guarantee compliance.

HIGH COST PLANS

Finance Committee:

- 40% excise tax on plans in excess of \$8K for individuals/\$21K for families; CPI + 1%.
- Relief for high cost states and high risk jobs.

Merged Bill:

- Raises thresholds to \$8.5K/\$23K; Retains Finance's CPI + 1% and relief for high cost states and high risk jobs
- Protects more workers from tax, but with stronger cost controls than House.

IMPROVING QUALITY OF CARE

- Establishes a National Quality Strategy.
- Creates non-profit center to compare the effectiveness of medical treatments.
- Creates Medicare/Medicaid Innovation Center and adopts Medicare policies that promote quality outcomes.

PROMOTING PREVENTION AND IMPROVING PUBLIC HEALTH

- Develops national strategy to prevent disease, promote health, and improve public health.
- Eliminates co-pays and deductibles for preventive care and screenings.
- Invests in community-based prevention programs and workplace wellness.

INVESTS IN OUR HEALTH CARE WORKFORCE

- Increases supply of health care workers through additional financial assistance.
- Enhances health care worker education and training.
- Promotes primary care in underserved areas.

CLASS ACT

- Includes HELP's fully-voluntary long-term care insurance program.
- Makes improvements to ensure solvency and protect taxpayers:
 - No taxpayer dollars allowed to pay benefits.
 - Tightens eligibility standards and establishes reserve requirements to ensure soundness.
- **No** CLASS Act funds diverted for other policies in underlying health bill

SAVINGS OVERVIEW

2010-2019

	<u>House</u>	<u>SFC</u>	<u>Merged</u>
Spending Cuts	\$623	\$510	\$550
Revenue Offsets	745	508	487
• Surtax >\$500K	(460)	-	-
• High Cost Plans	-	(201)	(149)
• HI Tax \$200K/250K	-	-	(54)
CLASS Act Surplus	72	-	72
Total Savings	1,440	1,018	1,109

CONTROLLING HEALTH COSTS

- Reduces budget deficits over next ten years by \$130 billion, more than House and Finance.
- Reduces deficits in the second decade by roughly \$650 billion.
- Eliminates waste, reforms delivery system, and establishes Medicare commission with teeth to control costs.