HEALTH CARE FOR AMERICA NOW!

Summary of the Democratic Health Reform Legislation

-- Senate-passed Health Reform Bill (H.R. 3590) and Reconciliation Bill (H.R. 4872) --

IMMEDIATE IMPROVEMENTS (2010)

- Help getting coverage: New coverage options for people with pre-existing conditions; a website to help identify coverage options in each state; uniform policy documents to make it easier to shop for coverage.
- Help keeping coverage: Prevents insurers from dropping people from coverage (rescissions); extends dependent coverage to age 26.
- Help paying for coverage: Eliminates lifetime and unreasonable annual benefit limits; caps insurance profits and overhead expenses; initiates a temporary reinsurance program for early retirees.

AFFORDABLE COVERAGE

- Coverage options:
  - Keep the plan you have, whether it's through your employer or purchased individually.
  - Get coverage through your employer. If a large employer fails to offer coverage that meets basic standards, and an employee accesses health insurance tax credits through an exchange, the employer pays a fine of $2,000 for each full-time employee. If an employer offers coverage that is unaffordable, the employer pays a fine of $3,000 per full-time employee receiving credits. Part-time workers' hours are calculated in determining which firms qualify as large employers.
  - Get coverage in an exchange, choosing from multiple plans at four different levels of coverage, using sliding scale premium assistance tax credits for families up to 400% FPL. The Exchange is open to individuals without other coverage and businesses with up to 100 workers and includes private plans and, unless your state intervenes, a new public health insurance option.
  - Get coverage outside an Exchange from regulated plans that can't discriminate based on health status or other health-related factors.
  - Expanded Medicaid eligibility to persons with income under 133% FPL.

- Secretary of HHS defines a package of "essential health benefits" to be covered in individual, small group, and exchange plans.
- Existing health insurance coverage is protected through a "grandfather" provision; plans need to come into compliance with consumer protections over time.
- Immigrants: All legal residents eligible for assistance with premiums and cost-sharing through the exchange. Retains five-year wait for Medicaid benefits for adults. Undocumented persons are ineligible to purchase coverage in the exchange or to receive premiums assistance credits.

LOWER COSTS

- No more deductibles or co-pays for preventive care in all new health plans.
- An individual will not pay higher premiums based on pre-existing conditions, gender, or occupation. Higher premiums based on age are still allowed but limited.
- Place annual cap on out-of-pocket expenses and prohibits deductibles greater than $2,000 for individuals and $4,000 for families in small business plans.
- Closes the prescription drug donut hole for Medicare beneficiaries by 2020, starting with a $250 rebate to beneficiaries who hit the donut hole in 2010.

SHARED RESPONSIBILITY

- Large employers that do not offer coverage will contribute $2,000 per year per full-time employee if any employee is eligible for subsidies. The payment amount is $3,000 per full-time worker that is eligible for a subsidy in the exchange due to an offer of inadequate coverage from the employer. For the purpose of determining which firms qualify as large employers, part-time workers' hours are calculated as full-time equivalents, based on a 30-hour full-time work week. For large employers, 30 employees are disregarded from the calculation of the penalty.
- Beginning in 2014, all legal residents required to have health insurance or pay a penalty. The penalty is the greater of a flat amount or a percentage of income. The full contribution for people without insurance (beginning in 2017) is the greater of $695 (individual)/$2,085 (family) or 2.5% of household income. This contribution is phased in beginning with $95 or 1% of income in 2014. Exemptions are granted for families with income below the tax filing threshold ($18,700 for a married couple) and for other hardship reasons.

ACHIEVING EQUITY IN HEALTH OUTCOMES

- Invests in the primary care workforce, with bonuses to providers practicing in provider-shortage areas.
- Increases the diversity of health professionals and strengthen cultural competence among all providers.
- Additional funding for needed data collection and research that helps to identify and eliminate disparities.
- Begins a national strategy to improve health care quality, patient outcomes, and population health.

FUNDING SOURCES

- Beginning in 2018, taxes health benefits that cost more than $27,500 for a family policy or $10,200 for an individual policy, excluding dental or vision coverage. The thresholds are adjusted for firms with higher benefit costs due to age, gender or occupation and will rise over time at a rate of inflation.
- Beginning in 2013, raises the Medicare Hospital Insurance (HI) tax for high-income taxpayers ($200,000 individuals; $250,000 families) by 0.9% and broadens the Medicare HI tax base by adding a 3.8% tax on investment income, excluding distributions from retirement accounts, for individuals with incomes over $200k and family income over $250k.