HCFANY On Federal Health Reform Bills

Note: This brief represents a summarized version of HCFANY's analysis of both the House and Senate health reform bills. For the full version of each analysis, please visit our website at www.hcfany.org.

House Bill— H.R. 3962	Senate Bill— "Patient Protection and Affordable Health Care Act"
☺ **Affordability**—Premiums are capped at 1.5% of gross income for lowest income families, rising to 12% for highest income folks. Tax penalty of 2.5% of income for those who fail to obtain coverage preferred to that of the Senate bill.	☺ **Affordability**—Premiums are capped at 2% of gross income for lowest income families, rising to 9.8% for higher income folks. Total spending for families below 200% FPL may still be burdensome. Regressive tax penalty of $750 per adult per year for individuals/families who do not obtain coverage.
☺ **Medicaid**—Raises eligibility levels up to 150% of FPL and requires the federal government to fully fund the cost of expanding coverage to all up to 150% of FPL for the first two years. States would be required to pay 9% of these costs thereafter. All states, including New York, would be treated the same.	😐 **Medicaid**—Raises eligibility levels to 133% of FPL and requires federal government to fully fund the cost of expanding coverage for three years for states with lower eligibility levels. New York, which currently offers coverage to parents up to 150% of FPL and childless adults up to 100%, would only receive funds for childless adults between 100% -133% of FPL.
☹ **Children's Health**—The federal S-CHIP program (including Child Health Plus) would be eliminated, leaving children to get coverage through parent's employer plans, the Exchange, or Medicaid.	☺ **Children's Health**—The federal S-CHIP program (including Child Health Plus) is preserved and states are required to maintain eligibility levels until 2019. States will also receive increased FMAP funds from 2014-2019. The Casey amendment will also simplify enrollment, and provide a minimum eligibility level of 250% of poverty.
☺ **Consumer Protections**—Does not preempt state laws unless totally inconsistent with federal law. Preserves consumer rights and remedies under state laws. Establishes an ombudsman's office to assist consumers with insurance matters.	☺ **Consumer Protections**—Does not preempt state laws unless totally inconsistent with federal law. Allows states to offer additional benefits above those defined in the new public health insurance option, provided states cover the cost of doing so. States may apply for a waiver of up to 5 years for most requirements of the new law. Gives states money to establish consumer assistance programs.
☺ **Insurance Reform**—Bans rescissions, lifetime benefit limitations, and pre-existing limitations. Requires guaranteed issue of insurance coverage. Limits age rating. Allows for interstate compacts for the sale of health insurance, which may undermine consumer protections and state oversight. Limits medical-loss ratios to no less than 85%.	😐 **Insurance Reform**—Bans rescissions, lifetime benefit limitations, and pre-existing coverage limitations. Requires guaranteed issue of insurance coverage. Limits age rating, but not as strongly as the House bill. Does not define "essential benefit," which limits guarantee of comprehensive coverage. Allows the sale of low-value health plans. Also allows for interstate compacts for the sale of health insurance and nationwide plans, which may undermine consumer protections and state oversight. Limits medical-loss ratios to no less than 85/80%.
☺ **Public Option**—Creates a public health insurance option in the Exchange beginning in 2013. This plan must meet the same requirements as private plans. Start-up funding is provided, which must be paid back over 10 years.	☹ **Public Option**—Does not include a public option.

(Please see reverse for continued sections)

HCFANY On Federal Health Reform Bills—Continued.

House Bill—H.R. 3962	Senate Bill—"Patient Protection and Affordable Health Care Act"
😐 **Immigrant Health**—Allows undocumented immigrants to purchase insurance with their own money (at full price) through the Exchange. Does not address iniquities for legal immigrants in public programs, such as the five-year waiting period for Medicaid.	☹ **Immigrant Health**—Does not allow undocumented immigrants to use their own money to buy health insurance (at full price) on the Exchange. However, the bill does make legal immigrants who have not yet completed the five-year waiting period for Medicaid eligible for premium credits in the Exchange (New York already covers these folks with state-only funds).
☺ **Small Businesses**—Gives employers choice of either offering coverage to employees or contributing 8% of total wages to a fund. For small businesses, this is based on a sliding scale starting at 0% for businesses with a payroll of less than $500,000 per year, and up to 6% for businesses with payroll up to $750,000 per year. Small, low-wage employers are also given a tax credit of up to 50% of qualified health coverage expenses.	😐 **Small Businesses**—Employers with more than 50 employees who do not provide health coverage and have at least one employee who receives premium credits must pay a fee of $750 per full-time employee. Those who do provide coverage but still have alt least one employee who receives premium credits will pay the lesser of $3,000 per employee receiving credits, or $750 per full-time employee. Employers with less than 50 employees are exempt from providing coverage, or paying into the fund.
☹ **Women's Health**—Bans gender rating, pre-existing condition limitations, and guarantees maternity coverage. However, the Stupak-Pitts amendment would bar any insurance plan that is purchased with government subsidies and the new public plan from covering abortion. Other insurance plans would be allowed to cover abortion provided they did not accept federal money.	☹ **Women's Health**—Bans gender rating, pre-existing condition limitation, and guarantees maternity coverage. States can allow abortion coverage in state insurance exchanges, but will have to provide funds to do so. Insurers must segregate funding streams to ensure that no federal funds are used for that purpose.
☺ **People with Disabilities and Seniors**—Closes the Medicare Part D coverage gap by 2019. Waives the deductible and cost-sharing for preventative benefits in Medicare. Includes a version of the CLASS Act. Supports community-based attendant services as an alternative to institutional coverage under Medicaid.	☺ **People with Disabilities and Seniors**—Provides a 50% discount on prescription drugs for people in the Medicare Part D coverage gap. Waives the deductible and cost-sharing for preventative benefits in Medicare. Includes a version of the CLASS Act. Supports community-based attendant services as an alternative to institutional coverage under Medicaid.
😐 **Transitional Funding**—Provides $5 billion between 2010 and 2013 to support transitional or high-risk pools. The manager's amendment extends this funding, in states without high-risk pools, to other coverage expansions. However, the bill does not clarify that guaranteed issue markets, like New York's, can receive support if they do not distinguish in enrollment between the "eligible individuals" referred to in the bill and others.	😐 **Transitional Funding**—Restricts transitional assistance to states for enrolling individuals with pre-existing conditions who have been without insurance for months. States like New York, who already cover these folks, would receive no additional funding.

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