

Comparison of Federal Health Reform Proposals

Information as of Aug. 11, 2009

	Senate Finance Committee	Senate HELP Committee	House
Individual mandate	Yes, has to meet standards, hardship exemptions only for less than 100 percent of Federal Poverty Level, state auto-enrollment option	Yes, has to meet standards, penalty to \$750, exempt if state does not create an insurance gateway	Yes, has to meet standards, penalty 2.5 percent of income up to cost of coverage, hardship exception
Individual subsidies	Refundable tax credits to purchase through the health exchange, 100 percent to 300 percent FPL	Premium credits to 400 percent FPL, sliding scale, only for those without employer coverage offer or eligible for public programs	Premium and cost sharing credits to 400 percent of Federal Poverty Level, sliding scale, only for those without adequate employer offer or eligible for public programs
Employer mandate	Maybe, only if some workers enroll in Medicaid or get a tax credit, would have to pay some part of those costs, small business exempt	Yes, small business exempt	Yes, small business exempt
Employer subsidies	Tax credit for some small businesses, not payable in advance or refundable	Credit for small employers with low income workers, must pay 60 percent of cost, base credit plus bonuses if cover more, creates reinsurance program for coverage of workers ages 55 to 64	Credit for small employers with low income workers, varies by worker wages, creates reinsurance program for coverage of workers ages 55 to 64
Medicaid	Expand to everyone but income limits vary by category from 100 percent to 133 percent of Federal Poverty Level, possibly higher for some populations, provide through current program and/or insurance exchange, tax credits to childless adults, behavior modification incentives, expand access to home and community-based services, include state poverty rates and recession adjustment in Federal Medical Assistance Percentage, temporary increase in FMAP then phased out, require tobacco cessation coverage, medical home options for states	Expand to all to 150 percent of Federal Poverty Level, through current program	Expand to 133 percent of Federal Poverty Level for all, expand to all uninsured newborns and people with HIV, and increase provider rates to 100 percent. Maintenance of Effort requirement. There have been proposals for some costs of the expansions and rate increases to be funded by feds, increase primary care provider rates. The Federal Medical Assistance Percentage would be 100 percent for newly covered populations from 2013-2015, after 2015 the Federal Medical Assistance Percentage would drop down to 90 percent.
SCHIP	Expand to 275 percent of Federal Poverty Level for all, transition to health exchange, states must wrap around for anything not covered, including Early Periodic Screening, Diagnosis and Treatment	Individuals have choice of current Medicaid or health gateway	Transition to insurance exchange
Medicare	Allow ages 55 to 64 to buy in at full-cost until health exchange is operational, phase out two year wait for people with disabilities, behavior modification incentives, medical home options	No cost-sharing for proven preventive services	Value-based purchasing, bundling, medical home pilots, new program to coordinate care for dual eligibles, study feasibility of payments for language and cultural competence services, incentives for primary care, eliminate Part D donut hole, increase asset test, no cost sharing for proven preventive services

Public option	Co-op consumer governed nonprofit, offered through insurance exchange, subject to commercial rating and risk adjustment rules, loans for start up costs must be re-paid	Created through gateway, financed with premiums, requires states to create advisory councils to recommend policies and procedures	Created through exchange, subject to commercial rating and risk adjustment rules, three tiers of coverage, finance through premiums, initial provider rates set at Medicare with bonuses,
Insurance market reforms	Create a national or regional Health Insurance Exchange and require insurers to participate, sets four benefit level categories, guaranteed issue and renewal for whole market, limit rating rules, out of pocket limits, create a Web portal to compare options, call center, etc., states can merge individual and small group coverage, state insurance commissioners still regulate insurance plans	Create state-based American Health Benefit Gateway administered by government or non-profit, set standards on those plans, can be regional or have more than one state but cannot overlap, three tiers of benefits, guaranteed issue and renewal, limit rating rules, consumer information, decision aids, single point of entry for public program enrollment, funded with surcharge on premiums not to exceed 4 percent, same rules for individual and small group markets, must report medical loss ratio, dependent coverage to age 26, allow incentives for health behaviors	Creates National Health Insurance Exchange, four tiers of coverage, guaranteed issue and renewal, sets standards on all packages, limits rating rules, limit medical loss ratios, must be state licensed, must contract with essential community providers, cultural competence, information to consumers, website, call center, grievance procedures, no post-claims rescissions States can operate their own exchanges if they qualify, individual coverage will not qualify for individual mandate (essentially does away with individual market)
Pre-existing conditions	Cannot rate insurance based on health status		No exclusions
Cost containment	Health information technology, fraud detection, lower Medicare Advantage rates, drug company incentives disclosure, price transparency, shared savings with providers	Create Health Care Program Integrity Coordinating Council, administrative simplification, health information technology	Medicare provider rate adjustments for productivity and readmissions, lower Medicare Advantage rates, Medicaid drug rebate enhancements, reduce Medicaid DSH payments, hospital infection reporting, disclose provider financial relationships, fraud detection, administrative simplification
Health system improvement	Primary care bonuses, comparative clinical effectiveness research, chronic care management, bundle payments, value-based purchasing, quality reporting, improve data collection and systems, tax incentives for wellness programs	Creates workgroups, quality reporting, clinical effectiveness research, grants for medical homes, medication management, regional emergency and trauma services, hospital infection and readmission reporting, improve data collection and systems, competitive grants to state and local governments for programs to address prevention of chronic disease and disparities, create community living support program, increase funding to community and school based health centers	Clinical effectiveness research, Creates a quality center, improve data collection and systems
Health care work force	Graduate medical education incentives for primary care training	Graduate medical education reforms to target pediatric, geriatric and primary care, for doctors, nurses and other	Graduate medical education reforms to support primary care training, training for APRNs (Advanced Practice Registered

		professionals	Nurses) to practice in underserved areas, creates a public health work force corps, grants to state health depts. for public health infrastructure
Financing		Congressional Budget Office -- \$615 billion/10 years	Congressional Budget Office -- \$1.042 trillion/10 years Half from Medicare and Medicaid savings, surcharge on families over \$350,000 and individuals over \$280,000
Other			Study feasibility of including cost of living variations in Federal Poverty Level setting
Sources	Senate Finance Committee http://finance.senate.gov/sitepages/baucus.htm House Committees http://waysandmeans.house.gov	Senate HELP Committee http://help.senate.gov Kaiser Foundation Site http://healthreform.kff.org	Originally prepared by Ellen Andrews, health policy consultant for the Eastern Regional Conference, for its annual meeting.