

## Comparing the Health Care Plans. NY Times, August 12, 2009

<http://www.nytimes.com/interactive/2009/08/12/us/politics/0812-plan-comparison.html#tab=0>

	House version(s)	Senate Health Committee	Senate Finance Committee	White House
<p><b>Individual Mandate:</b> Require nearly all Americans to have a minimum level of health insurance or pay a penalty.</p>	Includes mandate with penalties and exemptions. Penalty: 2.5 % of adjusted gross income over a certain level; exempt those who cannot afford insurance & people with religious objections. Does not specify standards for hardship waivers.	Includes mandate with penalties and exemptions	Likely to include a mandate with provisions for exemptions.	Open to a mandate as long as people who cannot afford insurance are exempt.
<p><b>Employer Contributions:</b> Some kind of requirement for employers to contribute to the cost of coverage for some or all of their employees.</p>	Education & Labor and Ways & Means proposals would require employers w/ annual payrolls of more than \$250K to contribute 72.5% of premium costs for individuals & 65% for families. Energy & Commerce proposal would exempt those with payrolls more than \$500K. Educ./Labor proposal would exempt employers who can show compliance would lead to job losses or have other negative effects.	Would require employers with more than 25 workers to contribute at least 60% of the premium costs, or pay a \$750 penalty for each full-time worker & \$375 for each part-time worker.	Probably will not require employers to provide coverage, but those that do not may instead have to contribute to the cost of government subsidies for low-wage workers.	Open to employer mandates as long as there are provisions to exempt small businesses.
<p><b>Insurance Exchange:</b> A new health insurance marketplace, national or state, where people could shop for insurance and compare prices and benefits.</p>	Would create a national exchange, allowing states to opt out and operate their own exchange if they follow federal rules. Open to people who do not have qualifying coverage through an employer or a public program. Open to small employers, 10 or fewer employees in the first year and 20 or fewer in the 2 <sup>nd</sup> year. Could be expanded to larger employers over time.	Would create state-based exchanges, allowing states to form regional exchanges. Open to people who do not have qualifying coverage through an employer or a public program, and open to employers with 50 or fewer employees.	Likely to create state-based exchanges open to individuals and small employers.	Supports creation of a health insurance exchange.
<p><b>Public Option:</b> Create a government-run insurance plan or nonprofit insurance cooperatives to compete with private insurers.</p>	Would create a new government plan. Different levels of benefits could be offered by public option. The Energy/Commerce Comm. Proposal would not allow the government plan to use Medicare rates to pay doctors and hospitals. The public plan would negotiate rates with health care providers, as private insurers often do. The panel's proposal would also allow states to set up nonprofit co-ops. Proposals from the other House panels would initially allow the plan to pay most doctors and hospitals at Medicare rates, plus about 5 %. After 3 years, the health secretary could negotiate with doctors and hospitals.	Would create a government plan that would negotiate rates with health care providers. The plan would provide "essential health benefits," as defined by the bill, "except in states that offer additional benefits."	Considering nonprofit cooperatives.	Strongly favors a public plan but will not rule out cooperatives.

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<p><b>Subsidies for individuals:</b> Provide credits to lower-income people to help them buy insurance.</p>	<p>Would provide credits for premium costs and out-of-pocket expenses to people who buy insurance through the exchange. Households with incomes up to 400% of the federal poverty level would be eligible, with those at the lower end receiving more. People with insurance from employers would be eligible for the credits if the cost of their premium exceeds 11% of their income. The Energy/ Commerce Comm. proposal would set that limit at 12%.</p>	<p>Would provide credits for premium costs to people who buy insurance through the exchange. Households with incomes up to 400% of the federal poverty level would be eligible, with those at the lower end receiving more. People with insurance from employers would be able to get the credit if their premium exceeded 12.5% of their income.</p>	<p>Considering tax credits for households with incomes up to 300% of the federal poverty level, with those at the lower end receiving more. Credits are likely to be available only to people who buy insurance through the exchange.</p>	<p>Supports sliding-scale credits for low-income households.</p>
<p><b>Tax Credits for Employers:</b> Provide tax credits to help small-business owners who want to offer coverage.</p>	<p>Would provide tax credits to employers with 25 or fewer workers and average wages of \$40K or less. The credit would not be allowed for employees earning more than \$80K/ year. The amount, up to 50% of premium costs, phases out as firm size and average wages increase.</p>	<p>Would provide tax credits to employers with 50 or fewer workers &amp; who pay at least 60% of their employee's premiums. Eligible employers could receive the credit for only 3 consecutive years.</p>	<p>Considering tax credits.</p>	<p>Supports tax credits for small businesses.</p>
<p><b>Expanding Medicaid:</b> Expand Medicaid, the federal-state health program for low-income people, to cover millions of additional people.</p>	<p>Would include all individuals with incomes up to 133 % of the poverty level. The program currently covers millions of low-income elderly, people with disabilities, pregnant women, children and some parents. Childless adults are generally not eligible. The federal government would pay all the costs for those who are newly eligible, according to the plan passed by 2 House committees. But the Energy &amp; Commerce bill would have the federal government pay 90% of the cost after 2015.</p>	<p>Assumes expansion of Medicaid to include individuals with incomes up to 150 % of the poverty level. The committee does not have authority over Medicare and Medicaid, which are under the Finance Committee's jurisdiction.</p>	<p>Likely to offer coverage to all individuals with incomes up to 133% of the poverty level. Federal government would pick up most of the extra costs for perhaps 5 years, but states might eventually have to pay a substantial share.</p>	<p>The president promised to expand eligibility for Medicaid during the campaign.</p>

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<p><b>Defining Minimum Benefits:</b> Require insurance plans to offer a minimum package of health insurance benefits, to be defined by the federal government:</p>	<p>Basic benefit package “will include preventive services with no cost-sharing, mental health services, oral health and vision for children.”</p> <p>Would prohibit insurance companies from denying coverage, or charging higher premiums, because of a person’s medical history or condition. The Energy &amp; Commerce proposal would prohibit abortion coverage from the basic benefit package and allow only private funds for abortion. Insurers would choose whether to cover abortion. The government would have to ensure that there is at least one plan that covers abortion and at least one that does not in every part of the country.</p>	<p>Basic benefits would “include at least ambulatory patient services, emergency services, hospitalization, maternity and newborn care, mental health and substance-abuse services, prescription drugs, rehabilitative and abilitative services &amp; devices, laboratory services, preventive and wellness services, and pediatric services.” Would prohibit companies from denying coverage or charging higher premiums because of a person’s medical history or condition. Plans covering children &amp; their parents would have to offer to continue coverage through age 26.</p>	<p>Likely to set up three or four benefit levels, from basic to “platinum.” Each plan would cover a certain share of health care expenses. Insurers must offer at least a couple of the coverage levels.</p> <p>Expected to prohibit insurance companies from denying coverage, or charging higher premiums, because of a person’s medical history or condition.</p>	<p>Insurance plans in the health insurance exchange should not “deny coverage on the basis of a pre-existing condition, and all of these plans should include an affordable basic benefit package that includes prevention, and protection against catastrophic costs.” (Letter to Senate leaders, June 3)</p>
<p><b>What it would cost:</b> Estimated 10-year cost.</p>	<p>About \$1 trillion. According to the Congressional Budget Office, the House bill would “result in a net increase in the federal budget deficit of \$239 billion” over 10 years, partly because of an increase in Medicare spending to avert sharp cuts in payments to doctors scheduled to occur under existing law. House Democrats say the higher doctor payments should not count in the cost because they fix a problem that predates this administration.</p>	<p>About \$611 billion, according to an early, incomplete estimate by the C.B.O. The Finance Committee is expected to propose expansions to Medicaid that would add several hundred billion dollars to the legislation’s cost, depending on how it is designed.</p>	<p>Under \$900 billion, according to the committee’s chairman, Max Baucus of Montana, who cited the C.B.O. for the estimate. Mr. Baucus said the new analysis showed that in 2019, the legislation would actually reduce the deficit — a sign that lawmakers had included provisions to slow the growth of health care spending.</p>	<p>President Obama has insisted that the bill not add to the federal debt and that it should “bend the cost curve” by slowing the growth of health spending in the long term.</p>

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<p><b>Raising revenue:</b> Increase taxes for wealthier households.</p>	<p>Would raise \$544 billion over 10 years by imposing an income surtax on families with incomes above \$350K and individuals with incomes above \$280K. The surtax is expected to affect 1.2% of all households. Many House members have expressed reluctance to vote for the tax increase without knowing if the Senate will endorse it.</p> <p>The House speaker, Nancy Pelosi, has suggested lifting the thresholds to \$500K for individuals and \$1 million for joint filers, so it can be described as a tax on millionaires.</p>	<p>Does not include financing proposals. The health committee does not have authority over taxes, Medicare or Medicaid.</p>	<p>Under consideration: Raise about \$90 billion by imposing a new excise tax on insurers that offer policies that cost more than a certain amount, perhaps \$25K a year. (The premium of the average employer-sponsored insurance = about \$5,000 for an individual &amp; \$13,000 for a family, acc. to the CBO.) Generate about \$90 billion over 10 yrs by limiting the value of itemized deductions. Apply the Medicare payroll tax of 1.45% to nonwage income like dividends and capital gains.</p>	<p>Proposed raising \$318 billion in revenue over 10 years by limiting the tax benefits of itemized deductions for households earning more than \$250K. The plan met resistance in Congress, with the Democratic chairmen of the House &amp; Senate tax-writing committees, among others, objecting that it could depress tax-deductible charitable contributions.</p>
<p><b>Cutting costs:</b> Reduce health care spending, especially on Medicare.</p>	<p>Trim Medicare payments to hospitals and most other health care providers. Cut nearly \$200 billion in subsidies for insurers that offer the elderly private plans through Medicare Advantage. (Government pays 14% more for the private plans than it would pay for the same people in traditional Medicare.) Demand better prices from drug makers participating in Medicare &amp; Medicaid. Energy /Commerce panel would commission the Institute of Medicine at the National Academy of Science to analyze geographical disparities in Medicare rates (results would go to Sec. of HHS) &amp; assess whether to tie Medicare payments to quality of care (which would be voted on by Congress.)</p>	<p>Does not include financing proposals. The health committee does not have authority over taxes, Medicare or Medicaid.</p>	<p>Under consideration: Reduce Medicare payments to hospitals &amp; other health care providers. Reduce geographical disparities in the rates that Medicare pays health care providers. Use "an automatic mechanism" to reduce the growth of Medicare using a procedure like the one used to close military bases. Goal for Medicare spending that "ensures continued sustainability and bends the Medicare cost curve."</p>	<p>Proposed trimming \$622 billion from Medicare and Medicaid by 2019, mostly by eliminating subsidies for insurance plans in Medicare Advantage, reducing Medicare and Medicaid reimbursements to health care providers and demanding better prices from drug makers for the programs.</p>