

Health Care Reform Bill Summary

The [title of bill] provides access to quality affordable health care for all. The health reform package includes:

ACCESS TO COVERAGE AND CHOICE

AFFORDABILITY

SHARED RESPONSIBILITY

CONTROLLING COSTS

PREVENTION AND WELLNESS

WORKFORCE INVESTMENTS

I. ACCESS TO COVERAGE AND CHOICE

The [title of the bill] builds on what works in today's health care system and fixes the parts that are broken. It protects current coverage – allowing individuals to keep the insurance they have if they like it – and preserves choice of doctors and hospitals. [Title of the bill] preserves and expands health insurance choices through:

- **A national Health Insurance Exchange.** The new Health Insurance Exchange creates a transparent marketplace for individuals and small employers to comparison shop among private and public insurers. It sets and enforces insurance reforms and consumer protections, facilitates enrollment, and administers affordability credits to help low and middle income individuals and families purchase insurance.
- **A public health insurance option.** One of the many choices of health insurance within the national Health Insurance Exchange includes a public health insurance option. This option is subject to the same market reforms and consumer protections as other private plans in the Exchange and will be self sustaining, financed only by its premiums.
- **Guaranteed coverage and insurance market reforms.** Whether people are covered through the Exchange or their employer individuals will no longer be turned down for health insurance coverage due to pre-existing health conditions. [Title of the bill] also protects consumers by prohibiting lifetime and annual limits on benefits and restricts discrimination in premiums or other limitations based on a person's health status. It allows a narrow band of variation in premiums based on age (two to one), geographic area and family size
- **Essential benefits.** A new independent advisory committee with providers and other healthcare experts, chaired by the Surgeon General, will recommend a benefits package based on standards set in the statute. This new essential benefit package will serve as the basic benefit package for coverage in the exchange and over time will become the quality standard for employer plans. It includes preventive service at no cost sharing, mental health services, dental and vision for children, and caps the amount of money a person or family spends on covered services in a year.

II. AFFORDABILITY

To ensure that all Americans have access to affordable health coverage the [title of the bill]:

- **Provides sliding scale affordability credits.** These credits are available on a sliding scale, phasing out at 400 percent of the federal poverty level (\$43,000 for individuals or \$88,000 for families of four). The affordability credits will not only make insurance premiums affordable, but they will also reduce cost-sharing to levels that ensure access to care. The Exchange administers the affordability credits in relationship with other federal and state entities, such as local Social Security offices and Medicaid agencies.
- **Expands Medicaid.** Individuals and families with incomes below 133 percent of the federal poverty level will be fully Federally financed in an expanded and improved Medicaid program. This important safety net, particularly for low income kids, individuals with disabilities and the mentally ill, will be supported to offer higher reimbursement for primary care services.
- **Cap on total out of pocket spending.** All new policies will cap total and out-of-pocket spending to prevent bankruptcies from medical expenses.

III. SHARED RESPONSIBILITY

[Title of the bill] creates shared responsibility among individuals, employers and government so that all Americans have coverage of essential health benefits.

- **Individual responsibility.** Once market reforms and affordability credits are in effect, individuals will be responsible for having health insurance coverage, with an exception in cases of hardship. Those who do not obtain coverage will face a tax penalty of two percent of their income, capped at the average cost of a premium in the exchange.
- **Employer responsibility.** Employers will have the option of providing health insurance coverage for their workers or contributing funds on their behalf. Employers who choose to, can pay a fee of six percent of their payroll, instead of providing their employees with health insurance.
- **Assistance for small employers.** Small businesses, with payrolls less than \$250,000 per year, will be exempt from the employer responsibility requirement. In addition, new small business tax credit will be available for those firms who want to provide health coverage to their workers, but cannot afford it today.
- **Government responsibility.** The government is responsible for ensuring that every American has access to affordable quality health insurance, through the new affordability credits, insurance reforms and consumer protections.

III. PREVENTION AND WELLNESS

Prevention and wellness measures of [title of the bill] include:

- Expansion of Community Health Centers;
- Prohibition of cost-sharing for preventative services in benefit packages;
- Creation of community-based programs to deliver prevention and wellness services;

- A focus on community-based programs and new data collection efforts to better identify and address racial, ethnic, regional and other health disparities;
- Funds to strengthen state, local, tribal and territorial public health departments and programs.

IV. WORKFORCE INVESTMENTS

[Title of the bill] expands the health care workforce through:

- Increases to the National Health Service Corp;
- More training of primary care doctors and an expansion of the pipeline of individuals going into health professions, including primary care, nursing and public health;
- Greater support for workforce diversity;
- Expansion of scholarships and loans for individuals in needed professions and shortage areas.

VI. CONTROLLING COSTS

[Title of the bill] will reduce health care costs through stronger prevention and wellness measures, and by focusing on primary care. Payment and delivery system reforms will help slow the growth of healthcare costs over time:

- **Health care delivery system reforms.** Federal health programs including Medicare, Medicaid and the new public health insurance option will reward high quality and efficient care through innovative payment approaches, better care coordination, reductions of hospital readmissions, and innovative programs such as Accountable Care Organizations and Medical Homes.
- **Modernization and improvement to Medicare.** [title] replaces the flawed physician payment formula in Medicare (the SGR), with an update that wipes away accumulated deficits, provides for a fresh start, better rewards primary care services, care coordination and efficiency. This bill also improves the Medicare Part D program, extends solvency to and creates new consumer protections for Medicare Advantage Plans, and improves low-income subsidy programs, so that Medicare is affordable for all seniors and other eligible individuals.
- **Waste, fraud and abuse prevention.** New tools will be provided to combat waste, fraud and abuse within the entire health care system.
- **Administrative simplification.** The Secretary will have the authority to simplify the paperwork burden that adds tremendous costs to today's health care system.