



HEALTH REFORM: A SIDE-BY-SIDE SUMMARY OF CURRENT LEGISLATION

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HEALTH REFORM



Provision	Affordable Health Care for America Act (House-H.R. 3962)	America's Health Future Act (Senate - Fin. Comm.)	Affordable Health Choices Act (Senate - HELP Comm.)
Individual Mandate	<ul style="list-style-type: none"> • Yes or 2.5% of AGI 	<ul style="list-style-type: none"> • Yes or \$750 	<ul style="list-style-type: none"> • Yes or \$750
Employer Mandate	<ul style="list-style-type: none"> • Yes • 72.5 % Contr. – EE • 65% Contr. – Fam. • Auto enroll EEs 	<ul style="list-style-type: none"> • No • >50 EEs – reimburse the govt. for EE's receiving tax credits 	<ul style="list-style-type: none"> • Yes • <26 EEs exempt

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Employer Penalty	<ul style="list-style-type: none"> • Payroll >\$750k - 8% of avg. total wages annually • \$670k-\$750k - 6% • \$585k-\$670k - 4% • \$500k-\$585k - 2% • <\$500k - Exempt 	<ul style="list-style-type: none"> • Reimbursement "fee" • Lesser of - Flat \$ amt. or \$400 per FT EE receiving tax credit 	<ul style="list-style-type: none"> • \$750 per FT EE per year • \$375 per PT EE per year
ERISA	<ul style="list-style-type: none"> • Applies state law remedies in state health ins. Exchange • Prohibits reductions in employer sponsored retiree benefits 	<ul style="list-style-type: none"> • No changes 	<ul style="list-style-type: none"> • Fully insured - regulated by state • Self insured - regulated by federal • New ERISA requirements

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ERISA	<ul style="list-style-type: none">• Applies state law remedies in state health ins. Exchange• Prohibits reductions in employer sponsored retiree benefits• Requires all employer covg. To meet detail fed. requirements		

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Benefits	<ul style="list-style-type: none"> • Requires essential pkg. of covg. 	<ul style="list-style-type: none"> • No minimum 	<ul style="list-style-type: none"> • Requires essential pkg. of covg.
Public Plan	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • No 	<ul style="list-style-type: none"> • Yes
Health Care Coop.	<ul style="list-style-type: none"> • Yes • New "Health Choices Commissioner" & Est. "Consumer Operated and Oriented Plan Program" for non-profit HI start ups 	<ul style="list-style-type: none"> • Authorizes "Consumer Owned and Oriented Plan" • State, regional, or national level • Non-profit • Member run • Competes in non-group and small group mkt. 	<ul style="list-style-type: none"> • No

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Cafeteria Plans	<ul style="list-style-type: none"> • FSAs lowered to \$2.5k • Prohibits OTC meds for FSAs, HSAs, & HRAs • Increases penalty for HSA distr. From 10% to 20% 	<ul style="list-style-type: none"> • FSAs lowered to \$2.5k • Prohibits OTC meds • Increases penalty on HSA distr. • Creates Safe Harbor from nondiscrimination rules for small employers 	<ul style="list-style-type: none"> • NA

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Wellness Plans	<ul style="list-style-type: none">• Creates grant program for small to mid-sized employers• Requires Secretary to develop strategy to improve nation's health• Programs cannot mandate or incentivize participation	<ul style="list-style-type: none">• Enhances HIPAA non-discrimination provisions allowing for incentives• Incentives capped at 30% of EE only covg.	<ul style="list-style-type: none">• Permits incentives for participation• Up to 30% reduction in co-pays or deductibles

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Health Care Quality Improvements	<ul style="list-style-type: none"> • Medicare reforms • Establishes "Center for Comparative Effectiveness Research" • Quality measurements 	<ul style="list-style-type: none"> • Medicare value-based purchasing • Quality reporting 	<ul style="list-style-type: none"> • Calls for national strategy • Quality initiatives • Promotes evidence-based medicine • Disseminate best care practices
Health Information Technology	<ul style="list-style-type: none"> • NA 	<ul style="list-style-type: none"> • Measure to promote use of health IT 	<ul style="list-style-type: none"> • Calls for development of health IT standards • Promotes interoperability of systems for federal and state health programs

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Retiree Health Care	• NA	• NA	<ul style="list-style-type: none">• Prohibits employers from reducing retirees' health benefits unless reduction is also made to active EEs• Eliminates tax deduction for employers receiving government subsidy for providing retiree Rx covg.

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Subsidies	<ul style="list-style-type: none"> • Sliding scale tax credits to Ind./Families between 133%-400% of FPL • >25 EEs w/avg. wage of \$40k – tax credit up to 2 yrs. • >10 EEs w/avg. wage >\$20k – full tax credit of 50% of prem. 	<ul style="list-style-type: none"> • Sliding scale tax credits to Ind./Families between 133%-400% of FPL to offset costs of private covg. • Small employer tax credit for offering covg. 	<ul style="list-style-type: none"> • Individual tax credit to those purch. covg. through Gateways on a sliding scale, up to 400% of FPL • >50 EE w/avg. wages >\$50k – Paying min. of 60% of covg. - \$1k credit for EE covg. and \$2k credit for family

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Financing	<ul style="list-style-type: none"> • 5.4% "surcharge" on tax payers with joint AGI of \$1m or single AGI of \$500k • 2.5% excise tax on medical devices and HSA limitations 	<ul style="list-style-type: none"> • 40% excise tax on excess value of plans insurers and self-insured employers offer if aggregate value exceeds \$8k per ind. and \$21k for family • Thresholds increased for retirees over 55 and for employees engaged in high risk professions 	<ul style="list-style-type: none"> • Encompassing delivery systems, ins. mkt. reforms, employer and individual mandates

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**Affordable Health
Care for America
Act**
(House-H.R. 3962)

**America's Health
Future Act**
(Senate - Fin. Comm.)

**Affordable Health
Choices Act**
(Senate - HELP Comm.)

Provision

Financing ^{cont.}

- New taxes on medical devices, ins. and pharmaceuticals
- Limits on FSA contributions

HEALTH REFORM



- × H.B. 3962 – Passed Full House Nov. 11
- × Senate Finance (S.1796) passed committee Oct. 13
- × Senate HELP (S.1679) passed committee Jul. 16

HEALTH REFORM



× Next steps

+ Senate to combine two committee bills into one

Either:

+ Regular order

- × Unlimited floor debate
- × Filibuster
- × Cloture (60 votes)

Or:

+ Reconciliation

- × Limited floor debate
- × Limits on non-budget provisions

HEALTH REFORM

- × Full Senate vote
 - + Simply majority to pass
- × House-Senate Conference Committee
- × President
 - + Signs into law
 - + Veto





THANK-YOU

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