AFFORDABLE HEALTH CARE FOR AMERICA

SUMMARY

The final health insurance reform legislation (the Senate bill as improved by the Reconciliation Bill) that the House passed on March 21st will ensure that all Americans have access to quality, affordable health care and significantly reduce long-term health care costs. The non-partisan Congressional Budget Office (CBO) has determined that it will provide coverage to 32 million more people, or more than 94% percent of Americans, while lowering health care costs over the long term. This historic legislation will reduce the deficit by $143 billion over the next ten years, with $1.2 trillion in additional deficit reduction in the following 10 years.

QUALITY, AFFORDABLE HEALTH CARE FOR ALL AMERICANS

- Bars insurance companies from discriminating based on pre-existing conditions, health status, and gender.
- Provides Americans with better coverage and the information they need to make informed decisions about their health insurance.
- Creates health insurance exchanges – competitive marketplaces where individuals and small business can buy affordable health care coverage in a manner similar to that of big businesses today.
- Offers premium tax credits and cost-sharing assistance to low and middle income Americans, providing families and small businesses with the largest tax cut for health care in history.
- Insures access to immediate relief for uninsured Americans with pre-existing conditions on the brink of medical bankruptcy.
- Creates a reinsurance program in support of employers who offer retirees age 55-64 health coverage.
- Invests substantially in Community Health Centers to expand access to health care in communities where it is needed most.
- Empowers the Department of Health and Human Services and state insurance commissioners to conduct annual reviews of new plans demanding unjustified, egregious premium increases.

KEY INVESTMENTS IN MEDICAID AND CHILDREN'S HEALTH

- Expands eligibility for Medicaid to include all non-elderly Americans with income below 133 percent of the Federal Poverty Level (FPL).
- Replaces the so-called "Cornhusker" deal with fair assistance for all states to help cover the costs of these new Medicaid populations.
- Maintains current funding levels for the Children's Health Insurance Program (CHIP) for an additional two years, through fiscal year 2015.
- Increases payments to primary care doctors in Medicaid.

IMPROVING MEDICARE

- Adds at least nine years to the solvency of the Medicare Hospital Insurance trust fund.
- Fills the Medicare prescription drug donut hole. In 2010, Medicare beneficiaries who go into the donut hole will receive a $250 rebate. After that they will receive a pharmaceutical manufacturers' 50% discount on brand-name drugs, increasing to a 75% discount on brand-name and generic drugs to close the donut hole by 2020.
- Provides new, free annual wellness visits, and eliminates out-of-pocket copayments for preventive benefits under Medicare, such as cancer and diabetes screenings.
- Provides better chronic care, with doctors collaborating to provide patient-centered care for the 80% of older Americans who have at least one chronic medical condition like high blood pressure or diabetes.
- Improves Medicare payments for primary care which will protect access to these vital services.
- Reduces overpayments to private Medicare Advantage plans. Medicare currently overpays private plans by an average of 14 percent. This legislation reins in those overpayments to ensure a fair payment system that rewards quality.
- Encourages reimbursing health care providers on the basis of value, not volume. The bill includes a number of proposals to move away from the "a la carte" Medicare fee-for-service system toward paying for quality and value while reducing costs for America's seniors.

PREVENTING CHRONIC DISEASE AND IMPROVING PUBLIC HEALTH

- Promotes preventive health care at all ages and improves public health activities that help Americans live healthy lives and restrain the growth of health care costs over time. The legislation eliminates cost-sharing for recommended preventive care, provides individuals with the information they need to make healthy decisions, improves education on disease prevention and public health, and invests in a national prevention and public health strategy.

HEALTH CARE WORKFORCE

- Makes key investments in training doctors and nurses and other health care providers. Currently, 65 million Americans live in communities where they cannot easily access a primary care provide. An additional 16,500 practitioners are required to meet their needs. The legislation addresses shortages in primary care and other areas of practice by making necessary investments in our nation's health care workforce. Specifically, it will invest in scholarship and loan repayment programs through the National Health Service Corps to expand the health care workforce. The bill also includes incentives for primary care practitioners and for providers to practice in underserved areas.

TRANSPARENCY AND PROGRAM INTEGRITY

- Provides consumers with information about physician ownership of hospitals and medical equipment companies, as well as nursing home ownership and other characteristics. The bill also includes provisions that will crack down on fraud, waste, and abuse in Medicare, Medicaid, SCHIP and private insurance. It establishes a private, non-profit entity to identify priorities in patient-centered outcomes research that will provide doctors with information on how to best treat patients and end wasteful overspending.

IMPROVING ACCESS TO INNOVATIVE MEDICAL THERAPIES

- Establishes a regulatory pathway for FDA approval of biosimilar versions of previously licensed biological products.

COMMUNITY LIVING ASSISTANCE SERVICES AND SUPPORT (CLASS)

- Makes long-term support and services more affordable for millions of Americans by providing a lifetime cash benefit that will help people with severe disabilities remain in their homes and communities. CLASS is a voluntary, self-funded, insurance program provided through the workplace. For those whose employers participate, affordable premiums will be paid through payroll deductions. Participation by workers is entirely voluntary. The Congressional Budget Office confirms that the program, which has been revised from earlier versions, is actuarially sound.

REVENUE PROVISIONS

- Reduces the deficit in the next ten years and beyond. The bill is fully paid for with revenue provisions that focus on paying for reform within the health care system.
- Tightens current health tax incentives, collects industry fees, institutes modest excise taxes, and slightly increases the Medicare Hospital Insurance (HI) tax for individuals who earn more than $200,000 and couples who earn more than $250,000. The taxable base of the HI tax is also broadened by including net investment income. The HI tax increases will not only help fund health care reform, but, when combined with other provisions in the bill, will also extend the solvency of the Medicare Trust Fund by at least nine years to 2026.
- Includes a fee on insurance companies that sell high cost health insurance plans. The fee is designed to generate smarter, more cost-effective health coverage choices. The reconciliation bill delays this new fee until 2018 so that plans have time to implement reform and begin to save from its efficiencies.
- Changes health care tax incentives by increasing penalties on nonqualified distributions from HSAs, capping FSA contributions, and standardizing the definition of qualified medical expenses. The industry fees and excise taxes reflect responsible contributions from health care stakeholders who will benefit from the expanded coverage of millions of additional Americans under health care reform. The bill also assesses a small excise tax on indoor tanning services.
- In total, the revenue provisions in the bill represent a balanced, responsible package of proposals that bend the health care cost curve by putting downward pressure on health spending, close unintended tax loopholes, and promote tax compliance.