



Alliance *for* Retired Americans®

Health Care Bills Comparison Chart
July 2009

Three groups in Congress are currently working to bring meaningful health care reform for all Americans: Senate Health, Education, Labor and Pensions Committee (HELP), Senate Finance Committee and all of the three committees in the House with jurisdiction over health care: Ways & Means, Energy & Commerce and the Education and Labor Committee (House Tri-Committee). Each bill is in different stages of completion. The Senate HELP Committee has a goal of finishing its bill by July 10; Senate Finance Committee by July 13; and House Tri-Committee by July 13. The following chart shows where each group stands on the health care issues of most importance to America’s retirees.

	HELP Bill	Senate Finance Bill	House Tri-Committee Bill
Individual Mandate	Yes	Yes	Yes
Employer Mandate	Yes	TBD	Yes
Medicare Expansion	Yes	Yes	No
Part D Improvements (Doughnut hole)	No	Yes	Yes
Low-income Subsidies	Yes	TBD	Yes
Public Option	Yes	TBD	Yes
Prohibits Pre-Existing Exclusions	Yes	Yes	Yes
Age Rating	2:1	5:1	2:1
Taxing Health Care Benefits	No	Yes	No
Long Term Care	Yes	TBD	TBD

Further details on the Senate HELP Bill:

- “Pay” or “Play” Requirement: Employers who do not “play” (offer qualifying coverage with 60% or more contribution) will be required to “pay” an annual fee of \$750 per worker per year and \$375 for part-time workers. Companies with fewer than 25 employees would be exempt.

Further details on the Senate Finance Bill:

- Employer Mandate: Considering a proposal to replace the employer mandate with a so-called “free rider” provision. This provision would require employers to pay half the average national cost of Medicaid for every employee who receives Medicaid. An employer would have to pay the full cost of any tax credit an employee uses to purchase health insurance.
- Pre-Medicare: People ages 55 through 64 who do not have employer-sponsored insurance or Medicaid coverage could voluntarily enroll in Medicare beginning January 1, 2011.
- Doughnut Hole: The Pharmaceutical Research and Manufacturers of America has pledged to provide seniors with a 50% discount on any brand-name drugs that they need during the coverage gap. Few details of this agreement, however, are available at this time.
- Public Plan Option: Sen. Schumer (D-NY) in a July 1 statement said he was drafting language for a public plan option to be offered as an amendment for consideration by Finance when it marks up legislation after recess.
- Age-Rating: Considering setting premiums based on age at a 5-to-1 ratio. This means that the same basic package that would cost a 30-year-old \$100 a month would cost \$500 a month for an uninsured Americans aged 50-64.
- Taxing Health Benefits: Considering capping the tax exclusion of health care benefits at various levels (from \$15,700 to \$18,840 for family coverage) to help pay for reform. Under this plan, workers would be taxed on the value of their coverage above the cap.

Further details on the House Tri-Committee Bill:

- “Pay or Play” requirement: Employer must “play” by offering coverage that meets standards and contribute for full-time employees at least 72.5% of lowest cost plan for an individual and 65% of lowest cost plan for family. If the employer does not “play,” must pay by contributing 8% of wages paid to employee to Exchange.
- Doughnut Hole: Contains a provision that will fill the doughnut hole over time. Specifically, beginning in 2011, the Secretary of HHS shall progressively increase the coverage limit and decrease the annual out-of-pocket threshold.

Current as of 070209

