

# Silicon Benefits Insider

August 1, 2009



## FOCUS ON HEATH CARE REFORM



In Baseball terminology, we have reached the 7th inning stretch, as the House members have returned home to their districts and the Senate has adjourned for the August recess.

Here's a game recap for the fans that may have arrived late:

In the top of the 1st inning, February 26, 2009, President Obama outlined 8 principles of health care reform in his fiscal year 2010 Budget overview. The President indicated that comprehensive health reform should:

- Reduce long term growth of health care cost
- Protect families from bankruptcy or debt because of health care cost Invest in prevention and wellness
- Improve patient safety and quality care
- Assure affordable, quality health coverage for all Americans
- Maintain coverage when you change or lose your job
- End barrier to coverage for people with pre-existing medical conditions
- The plan must put the country on a clear path to cover all Americans

In the top of the 3rd inning, **April-May 2009**, the Senate Finance Committee released a series of papers laying out options for health reform. While not a formal proposal, these papers offer a framework for achieving health reform goals and present the range of options the Committee will consider as the legislation is drafted.

In the bottom of the 4th inning, **June 9, 2009**, the Senate Health Education, Labor and Pensions (HELP) Committee introduced the **Affordable Health Choices Act**, while Senator Max Baucus (MT) is leading a bi-partisan effort in the Senate Finance Committee to create a budget neutral health care reform bill. Both Committees have jurisdiction over health legislation in the Senate, and the goal is to combine both the HELP and Finance versions into one Senate bill.

In the top of the 5th inning, **June 19, 2009**, the House of Representatives introduced the House Tri-Committee - **America's Affordable Health Choices Act of 2009 (H.R. 3200)**. The Tri-Committee or three committees, that have jurisdiction over health issues include: Energy, Commerce, Ways and Means, Education and Labor.

In the bottom of the 6th inning, **July 31, 2009** the Energy and Commerce Committee completed markup of H.R. 3200, the **Affordable Health Choices Act**, and approved the bill by a vote of 31-28.

An Amendment offered by Rep. Anthony Weiner (NY) with six cosponsors to replace the current bill with a single payer option was withdrawn, when Rep. Henry Waxman (CA), the committee chairman, announced that Speaker of the House Nancy Pelosi (CA) had agreed to allow the full House to vote on the single payer proposal

In the top of the 7th inning, **August 7, 2009**, we've reached the stretch as the House has now recessed until after Labor Day, when it will merge the three committee versions before H.R. 3200 goes to the floor to vote.



### 2009 Season Stats:

- Overall approach to expanding access to coverage is to create a Health Insurance Exchange
- Individual Mandate - Requires all individuals to have "acceptable health coverage" or pay a penalty tax of 2.5% of modified adjusted gross income or \$750 annual penalty
- Requires employers to offer health coverage to their employees and contribute up to 72.5% of the premium cost for single coverage and 65% of premium cost for family coverage or pay 8% of payroll into Trust Fund
- Expand Medicaid to all individuals (children, pregnant women, parents, and adults without dependent children)
- Require Children's Health Insurance Program (CHIP) enrollees to obtain coverage through the Health Insurance Exchange in the first year of availability
- Provide affordability premium credits to eligible individuals and families with incomes of 400%

#### Federal Poverty Level

- Provide small employers with health coverage tax credit based on size, average wage with phase out period and limitations
- Create an essential benefits package that provides a comprehensive set of services, covers 70%, and limits annual cost sharing to \$5,000/individual, \$10,000/family
- Changes to private insurance - impose market regulations relating to guarantee issue, premium rating, prohibitions on pre existing conditions
- Prohibit coverage purchased through individual market from qualifying as acceptable coverage as individuals can purchase via exchange
- Simplify health insurance administration
- Reduce Medicaid DSH payments by \$6 billion in 2019
- Strengthen Primary Care Physician role
- Develop a national prevention and health promotion through evidence based clinical and community based prevention and wellness activities
- Improve Medicare program

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