SIDE-BY-SIDE COMPARISON OF MAJOR HEALTH CARE REFORM PROPOSALS

This side-by-side compares the leading comprehensive reform proposals across a number of key characteristics and plan components. Included in this side-by-side are proposals for moving toward universal coverage that have been put forward by the President and Members of Congress. In an effort to capture the most important proposals, we have included those that have been formally introduced as legislation as well as those that have been offered as principles or in White Paper form. This side-by-side will be regularly updated to reflect changes in the proposals and to incorporate major new proposals as they are announced.

	President Obama Principles for Health Reform	Senate Finance Committee Policy Options	Senate HELP Committee Affordable Health Choices Act
Date plan announced	February 26, 2009	April – May 2009	June 9, 2009
Overall approach to expanding access to coverage	President Obama outlined eight principles for health care reform in his FY 2010 Budget overview. The President has indicated that comprehensive health reform should: • Reduce long-term growth of health care costs for businesses and government. • Protect families from bankruptcy or debt because of health care costs. • Guarantee choice of doctors and health plans. • 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 barriers to coverage for people with pre-existing medical conditions.	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 it works to draft health reform legislation. Require all individuals to have health insurance. Create a Health Insurance Exchange through which individuals and small businesses can purchase health coverage, with subsidies available to individuals/families with incomes between 100 and 400% of the federal poverty level. Impose new regulations on the non-group and small group insurance markets. Expand Medicaid and CHIP and offer a temporary Medicare buy-in for the pre-Medicare population.	Require all individuals to have health insurance. Create state-based American Health Benefit Gateways through which individuals and small businesses can purchase health coverage, with subsidies available to individuals/families with incomes up to 500% of the federal poverty level. Impose new regulations on the individual and small group insurance markets. Expand Medicaid to all individuals with incomes up to 150% of the poverty level.

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Individual mandate	• The plan must put the country on a clear path to cover all Americans.	• Require all individuals to have insurance that meets minimum coverage standards. Enforced through an excise tax equal to a percentage of the premium for the lowest cost option available through the Health Insurance Exchange in the area where the individual resides. Exemptions will be granted for financial hardship; if the lowest cost plan option exceeds 10% of an individual's income; and if the individual has income below 100% of the poverty level.	• Require all individuals to have qualifying health coverage. Enforced through a tax penalty, the amount of which is to be determined by the Secretary of the Treasury. Exemptions to the individual mandate will be granted to residents of states that do not establish an American Health Benefit Gateway, members of Indian tribes, those for whom affordable coverage is not available, and those who can demonstrate financial hardship.
Employer requirements	Not specified.	• **Proposed Option A:** Require employers with more than $500,000 in total payroll per year to offer coverage to their employees and contribute at least 50% of the premium or pay an assessment. The employer assessment could be structured in several ways: 1) a set fee per enrollee per month based on total annual payroll; 2) a tiered penalty calculated as a percentage of payroll; or 3) a larger penalty only on firms with annual payroll of more than $1,500,000. • **Proposed Option B:** No employer "pay or play" requirement.	Policy under development.

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Expansion of public programs	• As a foundation for health reform, the President signed the Children's Health Insurance Program Reauthorization Act (CHIPRA), which provides coverage to 11 million children.	Medicaid • Expand Medicaid to all individuals with incomes up to 115% FPL, with a possible increase in eligibility for parents, pregnant women, and children to a higher level. Coverage could be provided through the current program structure or by enrolling children, pregnant women, parents, and childless adults in the Health Insurance Exchange. Another alternative is to enroll all populations except childless adults in Medicaid. Under this approach, childless adults would not be eligible for Medicaid but would be given tax credits to purchase coverage through the Exchange or to buy-in to Medicaid. Children's Health Insurance Program • After September 30, 2013, expand CHIP eligibility to 275% FPL. Once the Health Insurance Exchange is fully operational, CHIP enrollees would obtain coverage through the Exchange and states would be required to continue to provide services not covered by plans in the Exchange, including Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services. Medicare • Until the Health Insurance Exchange is underway, allow individuals aged 55-64 without coverage to buy-in to Medicare at full-cost. • Phase-out or reduce the two-year waiting period for Medicare eligibility for people with disabilities. Public Health Insurance Option • **Proposed Option A:** Create a new public plan to be offered through the Exchange that will be subject to the same rating and risk adjustment rules as the private plans. The public plan could be administered by the federal government, by multiple third-party administrators, or by the states. • **Proposed Option B:** Do not create a public plan option.	• Expand Medicaid to all individuals with incomes up to 150% FPL. Individuals eligible for Medicaid will be covered through state Medicaid programs and will not be eligible for credits to purchase coverage through American Health Benefit Gateways. • Grant individuals eligible for the Children's Health Insurance Program (CHIP) the option of enrolling in CHIP or enrolling in a qualified health plan through a Gateway. • Create a public plan to be offered through state Gateways. The details of the public plan are under development.

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Premium subsidies to individuals	• The plan must protect families' from bankruptcy or debt because of health care costs. • The American Recovery and Reinvestment Act makes coverage more affordable for Americans who lose their jobs and their access to employer-based health coverage by offering a subsidy of 65 percent of the premium costs for COBRA coverage.	• Provide refundable tax credits to individuals and families with incomes between 100 and 400% FPL to purchase insurance through the Health Insurance Exchange. The level of the premium tax credit could be set as a percentage of income or as a percentage of the premium, with additional limits on cost-sharing.	• Provide premium credits on a sliding scale basis to individuals and families with incomes up to 500% to purchase coverage through the Gateway. The premium credits will be determined by the Secretary, but will be such that individuals with incomes less than 500% FPL pay no more than 10% of income and individuals with incomes less than 150% FPL pay 1% of income, with additional limits on cost sharing. • Individuals are not eligible for premium credits through the Gateway if they have access to employer-based coverage that meets minimum qualifying criteria and affordability standards, or are eligible for Medicare, Medicaid, TRICARE, or FEHBP.
Premium subsidies to employers	Not specified.	• Provide certain small employers that purchase insurance for their employees with a tax credit. The full credit of 50% of the average total premium cost paid by the employer would be available to employers with 10 or fewer employees and whose employees have average annual wages of less than $20,000. The tax credit would be phased out as firm size and earnings increase. The tax credit would not be payable in advance or refundable.	• Provide qualifying small employers with a health options program credit. To qualify for the credit, employers must have fewer than 50 full-time employees, pay an average wage of less than $50,000, and must pay at least 60% of employee health expenses. The credit is equal to $1,000 for each employee with single coverage and $2,000 for each employee with family coverage, adjusted for firm size (phasing out as firm size increases) and number of months of coverage provided. Bonus payments are given for each additional 10% of employee health expenses above 60% paid by the employer. • Create a temporary reinsurance program for employers providing health insurance coverage to retirees ages 55 to 64. Program will reimburse employers for 80% of retiree claims between $15,000 and $90,000. Program will end when the state Gateway is established.
Tax changes related to health insurance	Not specified.	• Considers several health insurance-related tax changes affecting the tax preference for employer-sponsored insurance, health savings accounts, flexible spending accounts, and deductions for medical expenses.	Not specified.

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Creation of insurance pooling mechanisms	• The plan should provide portability of coverage and should offer Americans a choice of health plans.	• Create one national or multiple regional Health Insurance Exchanges through which individuals and small employers can purchase qualified insurance. • Require all state-licensed insurers in the non-group and small group markets to participate in the Health Insurance Exchange(s). • Require guarantee issue and renewability and allow rating variation based only on age, tobacco use, family composition, and geography (not health status) in the Exchange(s). • Require the Exchange(s) to develop a standardized format for presenting insurance options, create a web portal to help consumers find insurance, maintain a call center for customer service, and establish procedures for enrolling individuals and businesses and for determining eligibility for tax credits.	• Create state-based American Health Benefit Gateways through which individuals and small employers can purchase qualified coverage. States may form regional Gateways or allow more than one Gateway to operate in a state as long as each Gateway serves a distinct geographic area. • Require the Gateway to certify participating health plans, provide consumers with information allowing them to choose among plans, contract with navigators to conduct outreach and enrollment assistance, and create a single point of entry for enrolling in coverage through the Gateway or through Medicaid, CHIP or other federal programs. • Require states to adjust payments to health plans based on the actuarial risk of plan enrollees using methods established by the Secretary. • Require plans participating in the Gateway to provide incentives to providers to better coordinate care, reduce hospital readmissions and implement wellness and health promotion activities; prohibit plans from contracting with hospitals with greater than 50 beds unless those hospitals adopt patient safety and discharge planning programs.
Benefit design	Not specified.	• Create four benefit categories (lowest, low, medium, and high). Require all plans to provide a comprehensive set of services and prohibit inclusion of lifetime limits on coverage or annual limits on benefits. • All policies (except certain grandfathered employer-sponsored plans) must comply with one of the four benefit categories, including those offered through the Exchange and those offered outside of the Exchange.	• Create three benefit tiers based on the percentage of allowed benefit costs covered by the plan, ranging from 76% of benefit costs for the lowest tier to 93% of benefit costs for the highest tier. Require plans to provide at least the essential benefits specified by the Medical Advisory Council and prohibit inclusion of lifetime or annual limits on benefits. • Establish a Medical Advisory Council to make recommendations on essential health care benefits, criteria for minimum qualifying coverage, and affordability standards.

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Changes to private insurance	• The plan must end barriers to coverage for people with pre-existing medical conditions.	• Require guarantee issue and renewability and allow rating variation based only on age, tobacco use, family composition, and geography (not health status) in the non-group, micro-group (2-10 employees), and small group markets. Require risk adjustment in all markets. • Require all state-licensed insurers in the non-group and small group markets to participate in the Health Insurance Exchange. • Require all insurers to issue policies in each of the four new benefit categories. • Allow states the option of merging the non-group and small group markets.	• Require guarantee issue and renewability of health insurance policies in the individual and small group markets; prohibit pre-existing condition exclusions; and allow rating variation based only on family structure, geography, the actuarial value of the health plan benefit, and age (with only 2 to 1 variation). • Require health insurers to: report cost information; to meet medical loss ratios established by the Secretary or provide rebates to enrollees; to provide incentives to providers to better coordinate care, reduce hospital readmissions and reduce medical errors. • Require insurers to provide coverage for preventive care services without cost sharing. • Provide dependent coverage for children up to age 26.
State role	Not specified.	• Allow states the option of merging the non-group and small group insurance markets. • Require state insurance commissioners to provide oversight of health plans with regard to consumer protections, rate reviews, solvency, reserve fund requirements, and premium taxes and to define rating areas.	• Establish American Health Benefit Gateways meeting federal standards and adopt individual and small group market regulation changes. • Create temporary "RightChoices" programs to provide uninsured individuals with immediate access to preventive care and treatment for identified chronic conditions. States will receive federal grants to finance these programs.

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Cost containment	• The plan should reduce high administrative costs, unnecessary tests and services, waste, and other inefficiencies that consume money with no added benefit. • The plan must invest in public health measures proven to reduce cost drivers in our system—such as obesity, sedentary lifestyles, and smoking—as well as guarantee access to proven preventive treatments. The American Recovery and Reinvestment Act provides $1 billion for prevention and wellness.	• Encourage adoption and use of health information technology by expanding eligibility for the Medicare HIT incentives in the American Recovery and Reinvestment Act to include additional providers. • Eliminate fraud, waste, and abuse in public programs through more intensive screening of providers, the development of the "One PI database" to capture and share data across federal and state programs, increased penalties for submitting false claims and violating EMTALA, and increase funding for anti-fraud activities. • Restructure payments to Medicare Advantage plans to promote efficiency and quality. • Require drug or device manufacturers to disclose payments and incentives given to providers and any investment interest held by a physician. • Improve transparency of information about skilled nursing facilities. • Allow providers organized as accountable care organizations that voluntarily meet quality thresholds to share in the cost-savings they achieve for the Medicare program. • Improve prevention by covering only proven preventive services in Medicare and Medicaid and providing incentives to Medicare and Medicaid beneficiaries to complete behavior modification programs.	• Establish a Health Care Program Integrity Coordinating Council and two new federal department positions to oversee policy, program development, and oversight of health care fraud, waste, and abuse in public and private coverage. • Develop a national prevention and health promotion strategy that sets specific goals for improving health. Create a prevention and public health investment fund to expand and sustain funding for prevention and public health programs. • Provide grants for improving health system efficiency, including grants to establish community health teams to support a medical home model; to implement medication management services; to design and implement regional emergency care and trauma systems.

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Improving quality/health system performance	• The plan must ensure the implementation of patient safety measures and provide incentives for changes in the delivery system to reduce unnecessary variability in patient care. It must support the widespread use of health information technology and the development of data on the effectiveness of medical interventions to improve the quality of care delivered. • To lay the foundation for improving the health care delivery system and quality of care, the American Recovery and Reinvestment Act invests $19 billion in health information technology, including $17 billion in incentives to providers to encourage their use of electronic medical records, and provides $1.1 billion for comparative effectiveness research.	• Strengthen primary care and chronic care management by providing bonus payments to certain primary care providers and providing reimbursement for certain care management activities for patients with hospital stays related to a major chronic condition. • Establish a framework to set national priorities for comparative clinical effectiveness research. • Create a Chronic Care Management Innovation Center within CMS to disseminate innovations that foster patient-centered care coordination innovations for high-cost, chronically ill Medicare beneficiaries. • Bundle payments for acute, inpatient hospital services and post-acute care services occurring within 30 days of discharge from a hospital. • Establish a hospital value-based purchasing program to pay hospitals based on performance on quality measures. • Develop a strategy for the development, selection, and implementation of quality measures that involves input from multiple stakeholders. Improve public reporting of quality and performance information that includes making information available on the web. • Require enhanced collection and reporting of data on race, ethnicity, and primary language. Also require collection of access and treatment data for people with disabilities.	• Develop a national strategy to improve the delivery of health care services, patient health outcomes, and population health that includes publishing an annual national health care quality report card. • Develop, through a multi-stakeholder process, quality measures that allow assessments of health outcomes; continuity and coordination of care; safety, effectiveness and timeliness of care; health disparities; and appropriate use of health care resources. Require public reporting on quality measures through a user-friendly website. • Create a Patient Safety Research Center charged with identifying, evaluating, and disseminating information on best practices for improving health care quality. • Develop interoperable standards for using HIT to enroll individuals in public programs and provide grants to states and other governmental entities to adopt and implement enrollment technology.

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Other investments	• As an initial investment in strengthening the health care workforce, the American Recovery and Reinvestment Act provides $500 million to train the next generation of doctors and nurses.	• Promote prevention and wellness by providing grants to states to implement innovative approaches to promoting integration of health care services to improve health and wellness outcomes and providing tax credits to small businesses that implement proven wellness programs. • Change the Medicaid FMAP formula to include data on a state's poverty level and increase Medicaid FMAP rates during economic downturns to assist states in financing increased Medicaid enrollment. • Reform Graduate Medical Education to increase training of primary care providers and promote training in outpatient settings, and ensure the availability of residency programs in rural and underserved areas. • Improve the availability of long-term care services by increasing access to home and community based services through changes in Medicaid program requirements and through grants to states.	• Establish a national, voluntary insurance program for purchasing community living assistance services and supports (CLASS program). The program will provide individuals with functional limitations a cash benefit to purchase non-medical services and supports necessary to maintain community residence. The program is financed through voluntary payroll deductions: all working adults will be automatically enrolled in the program, unless they choose to opt-out. • Establish a National Health Care Workforce Commission to make recommendations and disseminate information on health workforce priorities, goals, and policies including education and training, workforce supply and demand, and retention practices. • Reform Graduate Medical Education to increase the supply, education, and training of doctors, nurses, and other health care workers, especially in pediatric, geriatric, and primary care. • Improve access to care by providing additional funding to increase the number of community health centers and school-based health centers.
Financing	President Obama dedicated $630 billion over ten years toward a Health Reform Reserve Fund in his budget outline released in February 2009 to partially offset the cost of health reform.	Not specified. Considering a range of options for achieving savings and for generating new revenues.	Not specified.
Sources of information	http://www.whitehouse.gov/omb/budget/ http://www.HealthReform.gov	Go to following link: http://finance.senate.gov/sitepages/baucus.htm then select these items 5-11-09 Baucus, Grassley Policy Options for Expanding Health Care Coverage: Proposals to Provide Affordable Coverage to All Americans 4-28-09 Baucus, Grassley Policy Options for Transforming the Health Care Delivery System: Proposals to Improve Patient Care and Reduce Health Care Costs	http://help.senate.gov/