



Talking Points on Patient Protection and Affordable Care Act (H.R.3590)¹

The Patient Protection and Affordable Care Act is a positive step forward on the path to reform.

- The bill will insure 31 million Americans, or 94% of the under-65 population.
- The bill also includes necessary insurance reforms, including prohibiting coverage denials due to pre-existing condition or health status and ending lifetime caps on benefits.
- Middle class families will get assistance, so premiums are no more than 10% of income and out-of-pocket expenses are capped.
- Health plans will cover recommended preventive services and other essential benefits, as defined by the Secretary.
- Families eligible for the Exchange will have a choice of private plans or a national public plan, called the Community Health Insurance Option, unless a State enacts a law to opt out of it.

The bill needs additional improvements before it can be passed.

- **Improved affordability for lower-income families:** The bill must do better for families with modest incomes, whose premiums under this bill are higher than in the Senate HELP or House-passed bills. *Recommendation: Lower the percentage of income lower-income families must pay toward premiums.*
- **Higher value of benefits:** Benefit packages in the Exchange could leave families vulnerable to high out-of-pocket costs. *Recommendation: Raise the value of the benefit packages so that deductibles and out-of-pocket-costs are affordable.*
- **Fair financing:** The tax on high-cost plans will reduce benefits and shift costs to middle class workers, particularly those in dangerous occupations, who are older, or who live in costlier states. *Recommendation: Replace the excise tax on the middle class with a small tax on the wealthiest Americans.*
- **True shared responsibility:** In the bill, large employers are not required to offer coverage, but they are fined if they do not. Gaps in the plan create incentives for employers to offer high-deductible health plans with fewer benefits and eliminate the positions of full-time workers and replace them with part-time workers. *Recommendation: Require employers to offer good coverage or pay some amount for both full-time and part-time workers.*
- **Immigrants:** Adult legal immigrants will still be prohibited from Medicaid eligibility during their first 5 years in the country. Undocumented immigrants will be barred from the purchase of *unsubsidized* coverage in the Exchange. *Recommendation: Lift the 5-year bar on legal immigrants and allow undocumented immigrants to purchase unsubsidized coverage.*

¹ The Senate bill carries an "H.R." number because the House must introduce revenue bills. The Senate begins with any House-approved tax bill, then strips out the entire text and substitutes the Reid text as an amendment.