



## What We're Close to Winning in Health Care (12/16/09)

- **Near-universal coverage for all**, largely through **group coverage** and its purchasing power.
- **The biggest expansion of Medicaid** since its creation 40 years ago, completing a commitment for millions in and near poverty.
- **Sliding scale subsidies tied to income**: All consumers will pay for coverage not based on how sick they are, but what they can afford.
- **The end of junk insurance** and bankruptcies due to medical bills, with a cap on out-of-pocket costs.
- **Fair share financing**, including an employer assessment as important as the minimum wage was for pay.
- **New consumer protections**: New rules and oversight on insurers that include the **abolition of underwriting** and limits on age-based rates and on premiums dollars going to administration and profit.
- **Tools for cost containment and quality improvement** in health care generally.
- **More sustainability and improvements for existing programs**—such as filling the donut hole in Medicare and streamlining and simplifying enrollment in Medicaid.
- **Momentum to do more** in the future, politically and policy-wise, in health care and beyond.

## Overall, both House and Senate bills would do four major things:

- **Create a "Health Insurance Exchange."**  
The bills create a one-stop marketplace where people can choose from various insurance plans. The details aren't set yet, but initially the Exchange would likely be open to the self-employed, people without insurance at work, and small businesses. The key with the Exchange is that it brings the bargaining power and scale that's generally accessible only to large employers to individuals—and with that, lower costs and better options.
- **Provide insurance to over 30 million more people.** The House bill would expand coverage to 36 million people by 2019. The Senate bill extends coverage to 31 million.



- **Outlaw discrimination based on pre-existing conditions and gender.** Insurance companies will have to stop denying coverage to people with "pre-existing conditions." They won't be allowed to charge women more than men for the same coverage.
- **Eliminate coverage limits and price-gouging.** The bills differ on some details, but in general would place limits on how much people have to pay for health care beyond their premiums. They both cap out-of-pocket costs and ban insurance companies from setting limits on how much health care they'll cover for a person each year.

## **Here's what still needs to be fixed:**

**Public option:** While the House passed health care with a public option, that now looks to be off the table for the Senate, and we are not hopeful that it will be in a final bill as of now. The public option is a core piece of reform that would create real accountability and competition for private insurance—and that's why it's at the center of such a huge fight.

**Affordability:** Required insurance could still be too expensive for many. Both bills require virtually all Americans to have insurance. But the caps on how much we're expected to pay are way too high, and the subsidies are way too low. Many progressives are working to fix this, but it's going to be a significant fight.



**Financing:** Excise tax: Though the House bill is financed through progressive options like a surcharge on wealth individuals and families, the Senate bill includes an excise tax on "high-end" health plans that negatively impacts workers, women and children. We're advocating for a variety of progressive revenue options to offset a repeal of the excise tax.

**Immigration:** The House bill excludes undocumented workers from being able to buy into the national insurance exchange, even if paid for without subsidies. It's not clear whether a similar provision will be included in the Senate bill (it's not currently). In addition to allowing access to the exchange, the Senate bill still includes a 5 year bar for legal residents who would otherwise be eligible for Medicaid. We are urging Senators to support an amendment being offered by NJ's Senator Menendez to lift this restriction.

**Abortion:** Reproductive rights are severely restricted in the House bill. An egregious anti-choice amendment in the House bill virtually prohibits anyone purchasing insurance in the Exchange from buying a plan that covers abortion—even if paid for with their own money. We need to make sure the final bill doesn't include this rollback of reproductive rights.

**Employer responsibility:** The Senate bill could discriminate against lower income workers. The current Senate legislation retains a version of what's called the "free rider" provision, which essentially penalizes employers for hiring lower income workers.