



# AFFORDABLE HEALTH CARE FOR AMERICA ACT

## TOP 10 CHANGES TO HEALTH INSURANCE REFORM BILL

- 1. REDUCES THE DEFICIT MORE**—According to the CBO, the revised bill reduces the deficit by \$30 billion over the first 10 years. (The original bill reduced the deficit by \$6 billion over the first 10 years). The revised bill also continues to reduce the deficit over the second 10 years.
- 2. ENDS HEALTH INSURANCE COMPANIES' BLANKET EXEMPTION FROM ANTI-TRUST LAWS**—In order to open up health insurance markets to real competition, the revised bill ends insurers' blanket exemption from anti-trust laws, bringing anti-trust enforcement to the two most abusive practices of health insurers – price fixing and market allocation.
- 3. EXTENDS COVERAGE FOR YOUNG PEOPLE UP TO 27<sup>TH</sup> BIRTHDAY THROUGH PARENTS' INSURANCE**—The revised bill requires health plans to allow young people through age 26 to remain on their parents' policy, at their parents' choice.
- 4. CREATES A NEW, VOLUNTARY, PUBLIC LONG-TERM CARE INSURANCE PROGRAM**—The revised bill creates a long-term care insurance program to be financed by voluntary payroll deductions to provide benefits to adults who become functionally disabled. The measure provides a cash benefit to help individuals with community-based services.
- 5. EXEMPTS SMALL BUSINESSES WITH PAYROLLS BELOW \$500,000 FROM EMPLOYER MANDATE**—The revised bill exempts a greater number of small businesses from the employer mandate – exempting 86% of all America's businesses. Specifically, the bill exempts firms with payrolls up to \$500,000 (instead of \$250,000) from the mandate and provides only a graduated penalty for not offering coverage for firms with payrolls between \$500,000 and \$750,000 (instead of firms with payrolls between \$250,000 and \$400,000.)
- 6. LIMITS THE "HEALTH CARE SURCHARGE" TO MILLIONAIRES**—Under the revised bill, only the wealthiest 0.3% of Americans would pay a surcharge on the portion of their income above \$500,000 (instead of \$280,000) for individuals and \$1 million (instead of \$350,000) for couples, in order to help make health insurance affordable for middle class families.
- 7. ADDRESSING GEOGRAPHIC VARIATIONS IN MEDICARE PAYMENTS/MOVING TO MEDICARE PAYMENTS REWARDING QUALITY AND COST-EFFECTIVENESS**—The revised bill provides that the Institute of Medicine (IOM), through two studies, will make recommendations on how to fix the current Medicare reimbursement system, including addressing current geographic variations. Under the bill, the Centers for Medicare and Medicaid Services (CMS) will implement the IOM recommendations on changes to Medicare payment systems unless disapproved by Congress.
- 8. BEGINS CLOSING THE MEDICARE PART D DONUT HOLE IMMEDIATELY**—The revised bill moves forward the effective date of reducing the donut hole by \$500 and instituting a 50% discount for brand-name drugs in the donut hole, from January 1, 2011 to January 1, 2010. It also completes elimination of the donut hole by 2019 (instead of 2024).
- 9. IMMEDIATE HELP FOR THE UNINSURED (INTERIM HIGH-RISK POOL)**—To fill the gap before the Exchange is available, the revised bill immediately creates an insurance program with financial assistance for those who have been uninsured for several months or denied a policy because of pre-existing conditions.
- 10. HHS NEGOTIATION OF DRUG PRICES**—Under the revised bill, the Secretary of HHS is required to negotiate drug prices on behalf of Medicare beneficiaries.