



SHARED RESPONSIBILITY

Affordable Health Care for America Act will ensure that all Americans have access to quality, affordable health care coverage through shared responsibility among individuals, businesses, and the government. Individuals will be responsible for purchasing health insurance coverage, and most employers will be responsible for offering coverage. Individuals, employers, and the government are all responsible for contributing to the cost of coverage.

THE GOVERNMENT WILL ENSURE AFFORDABILITY OF COVERAGE THROUGH AFFORDABILITY CREDITS

True access to quality health care cannot happen if coverage is unaffordable. The bill will ensure accessible health coverage for all Americans by providing affordability credits and expanding Medicaid for those below 150 percent of poverty.

- Affordability credits will be available for individuals and families with incomes up to 400 percent of the federal poverty level (\$43,420 for an individual or \$88,200 for a family of four) that are not eligible for Medicaid, employer sponsored insurance, or other acceptable coverage. The amount of credit is reduced as individual and family income increases phasing out at 400 percent of the federal poverty level.
- Only individuals and families who seek health care coverage in the Exchange will receive affordability credits.
- To assure that our most vulnerable population has access to affordable health care, Medicaid is expanded to 150 percent of the federal poverty level and other steps taken to strengthen the program.

ALL AMERICANS WILL BE RESPONSIBLE FOR HAVING HEALTH INSURANCE, EXCEPT IN CASES OF HARDSHIP

- The reforms in the bill will make health care coverage more affordable and are designed to encourage all Americans to obtain coverage.
- Individuals who choose not to obtain at least basic health coverage will be subject to a modest penalty based on 2.5 percent of income. In no case would the penalty exceed the average cost of a health care policy in the Exchange.
- Hardship waivers will be granted to individuals based on criteria such as affordability or religious objections, among other reasons.

EMPLOYERS MAY CHOOSE BETWEEN PROVIDING COVERAGE FOR THEIR WORKERS OR CONTRIBUTING ON BEHALF OF THEIR WORKERS

Under the bill, employers have a general responsibility to help make health insurance available and affordable for their employees. Businesses with payrolls greater than \$750,000 that do not offer health coverage to their workers will pay a fee of 8 percent of payroll to help subsidize coverage in the Exchange.

- Employers will contribute a minimum of 72.5 percent of the cost of premiums for all full-time employees' health coverage and a minimum of 65 percent for a family policy.
- Employers have the option of providing part-time employees with health coverage by contributing a share of the expense, or contributing to the Exchange in order for part-time employees to seek coverage there.
- In the fifth year after the Exchange begins, companies that offer health insurance will have to meet the essential benefits package, like plans in the Exchange, but they can go beyond.
- If an employer chooses not to offer health coverage to its employees, a penalty will be assessed based on the size of company's payroll. That penalty will help fund affordability credits in the Exchange, which is where that company's employees will purchase quality, affordable coverage.

SMALL BUSINESSES WILL BE EXEMPTED FOR LOW-WAGE FIRMS AND A NEW SMALL BUSINESS TAX CREDIT WILL HELP FIRMS PROVIDE HEALTH COVERAGE

- Employers with annual payrolls that do not exceed \$500,000 are exempt from the requirement to provide health insurance to their workers. For employers with more than \$500,000 in annual payroll, the penalty for not offering health insurance is 2 percent, rising up to the full 8 percent penalty for firms with annual payrolls of more than \$750,000.
- Workers in exempt firms will still be eligible to choose coverage through the Exchange.
- Many small businesses will be eligible to receive a tax credit for the health insurance offered to their workers.