

This Week on Capitol Hill

August 11, 2009

Special Update

Both the House of Representatives and the Senate are in congressional recess. The House began its recess on July 31, 2009 and the Senate began on August 7, 2009. Both will return to session after Labor Day. Until that time, there will be no floor action; however, some committee action could take place on pending legislation, such as health care reform.

Distribution of *This Week on Capitol Hill* will be temporarily suspended until congress is back in session after Labor Day.

This issue is a Special Update that features a comparison of the various Health Reform Proposals currently in Congress. In particular, this breakdown focuses on the overall approach to expanding access to coverage, long-term care, employer requirements and expansion of public programs. For additional comparisons, please visit www.kff.org/healthreform/sidebyside.cfm.

Overall Approach to Expanding Access to Coverage

	Date Plan Announced	Overall approach to expanding access to coverage	Sources of Information
Pres. Obama Principles for Health Reform	February 26, 2009	<p>President Obama outlined eight principles for health care reform in his FY 2010 Budget overview.</p> <p>The President has indicated that comprehensive health reform should:</p> <ul style="list-style-type: none"> • 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. 	<p>http://www.whitehouse.gov/omb/budget/ http://www.HealthReform.gov</p>
Senate HELP Committee Affordable Health Choices Act	June 9, 2009	<p>Require 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 400% of the federal poverty level (or \$73,240 for a family of three in 2009). Require employers to provide coverage to their employees or pay an annual fee, with exceptions for small employers, and provide certain small employers a credit to offset the costs of providing coverage. Impose new regulations on the individual and small group insurance markets. Expand Medicaid to all individuals with incomes up to 150% of the federal poverty level.</p>	<p>http://help.senate.gov/</p>
Senate Finance Committee Policy Options	April - May 2009	<p>Require 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 400% of the federal poverty level (or \$73,240 for a family of three in 2009). Require employers to provide coverage to their employees or pay an annual fee, with exceptions for small employers, and provide certain small employers a credit to offset the costs of providing coverage. Impose</p>	<p>Go to following link: http://finance.senate.gov/sitepages/baucus.htm then select these items:</p> <p>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</p>

		new regulations on the individual and small group insurance markets. Expand Medicaid to all individuals with incomes up to 150% of the federal poverty level.	
House Tri-Committee America's Affordable Health Choices Act of 2009 (H.B. 3200)	June 19, 2009	Require all individuals to have health insurance. Create a Health Insurance Exchange through which individuals and smaller employers can purchase health coverage, with premium and cost-sharing credits available to individuals/families with incomes up to 400% of the federal poverty level (or \$73,240 for a family of three in 2009). Require employers to provide coverage to employees or pay into a Health Insurance Exchange Trust Fund, with exceptions for certain small employers, and provide certain small employers a credit to offset the costs of providing coverage. Impose new regulations on plans participating in the Exchange and in the small group insurance market. Expand Medicaid to 133% of the poverty level.	http://waysandmeans.house.gov/MoreInfo.asp?section=52

LONG-TERM CARE

	Date Plan Announced	Long-term Care	Sources of Information
Pres. Obama Principles for Health Reform	February 26, 2009	Not specified.	http://www.whitehouse.gov/omb/budget/ http://www.HealthReform.gov
Senate HELP Committee Affordable Health Choices Act	June 9, 2009	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.	http://help.senate.gov/
Senate Finance Committee Policy Options	April - May 2009	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.	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
House Tri-Committee America's Affordable Health Choices Act of 2009 (H.B. 3200)	June 19, 2009	Improve transparency of information about skilled nursing facilities and nursing facilities.	http://waysandmeans.house.gov/MoreInfo.asp?section=52

EMPLOYER REQUIREMENTS

	Date Plan Announced	Employer Requirements	Sources of Information
Pres. Obama Principles for Health Reform	February 26, 2009	Not specified.	http://www.whitehouse.gov/omb/budget/ http://www.HealthReform.gov
Senate HELP Committee Affordable Health Choices Act	June 9, 2009	Require employers to offer health coverage to their employees and contribute at least 60% of the premium cost or pay \$750 for each uninsured full-time employee and \$375 for each uninsured part-time employee who is not offered coverage. For employers subject to the assessment, the first 25 workers are exempt. Exempt employers with 25 or fewer employees from the requirement to provide coverage.	http://help.senate.gov/
Senate Finance Committee Policy Options	April - May 2009	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.	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
House Tri-Committee America's Affordable Health Choices Act of 2009 (H.B. 3200)	June 19, 2009	Require employers to offer coverage to their employees and contribute at least 72.5% of the premium cost for single coverage and 65% of the premium cost for family coverage of the lowest cost plan that meets the essential benefits package requirements or pay 8% of payroll into the Health Insurance Exchange Trust Fund. Eliminate or reduce the pay or play assessment for small employers with annual payroll of less than \$400,000: -Annual payroll less than \$250,000: exempt -Annual payroll between \$250,000 and \$300,000: 2% of payroll; -Annual payroll between \$300,000 and \$350,000: 4% of payroll; -Annual payroll between \$350,000 and \$400,000: 6% of payroll. Require employers that offer coverage to automatically enroll into the lowest cost premium plan any individual who does not elect coverage under the employer plan or does not opt out of such coverage.	http://waysandmeans.house.gov/MoreInfo.asp?section=52

EXPANSION OF PUBLIC PROGRAMS

	Date Plan Announced	Expansion of Public Program	Sources of Information
Pres. Obama Principles for Health Reform	February 26, 2009	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.	http://www.whitehouse.gov/omb/budget/ http://www.HealthReform.gov
Senate HELP Committee Affordable Health Choices Act	June 9, 2009	Expand Medicaid to all individuals (children, pregnant women, parents, and adults without dependent children) 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. <ul style="list-style-type: none"> 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. 	http://help.senate.gov/
Senate Finance Committee Policy Options	April - May 2009	<p>Medicaid</p> <ul style="list-style-type: none"> 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. <p>Medicare</p> <ul style="list-style-type: none"> 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 <p>Public Health Insurance Option</p> <ul style="list-style-type: none"> 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. 	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
House Tri-Committee America's Affordable Health Choices Act of 2009 (H.B. 3200)	June 19, 2009	Expand Medicaid to all individuals (children, pregnant women, parents, and adults without dependent children) with incomes up to 133% FPL. Newly eligible, non-traditional (childless adults) Medicaid beneficiaries may enroll in coverage through the Exchange if they were enrolled in qualified health coverage during the six months before becoming Medicaid eligible. Provide Medicaid coverage for all newborns who lack acceptable coverage and provide optional Medicaid coverage to low-income HIV-infected individuals and for family planning services to certain low-income women. In addition, increase Medicaid payment rates for primary care providers to 100% of Medicare rates. [E&C Committee amendment: Require states to submit a state plan amendment specifying the payment rates to be paid under the state's Medicaid program.] The coverage expansions (except the optional expansions) and the enhanced provider payments will be fully financed with federal funds. [E&C Committee amendment: Replace full federal financing for Medicaid coverage expansions with 100% federal	http://waysandmeans.house.gov/MoreInfo.asp?section=52

financing through 2014 and 90% federal financing beginning in year 2015.]

Require Children's Health Insurance Program (CHIP) enrollees to obtain coverage through the Health Insurance Exchange (in the first year the Exchange is available) provided the Health Choices Commissioner determines that the Exchange has the capacity to cover these children and that procedures are in place to ensure the timely transition of CHIP enrollees into the Exchange without an interruption of coverage. [E&C Committee amendment: Require that CHIP enrollees not be enrolled in an Exchange plan until the Secretary certifies that coverage is at least comparable to coverage under an average CHIP plan in effect in 2011. The Secretary must also determine that there are procedures to transfer CHIP enrollees into the exchange without interrupting coverage or with a written plan of treatment.]

Senate Process

In the Senate, there are two committees that have jurisdiction over health care reform: the Senate Finance Committee and the Senate Health Education, Labor and Pensions Committee (HELP).

Each of these committees will introduce a bill and then markup the legislation in committee. After the markup, there is the possibility of reconciliation between the two bills; however, each of the bills could also go to the Senate floor as separate pieces of legislation.

Once the legislation arrives on the Senate floor, there is a vote. If the Senate passes the bill, then it goes to the House of Representatives for consideration. In this case, the House of Representatives will likely also have their own bill; therefore there is a possibility that there will be a conference between the Senate passed bill and House passed bill.

The final bill will have to be passed by the Senate and the House of Representatives again before it is signed by the President.

Currently, the Senate HELP Committee has passed their bill out of committee (7/15/09). The Senate Finance Committee is stalled and has not introduced their bill (as of 8/10/09).

House Process

In the House of Representatives there are three committees that have jurisdiction over health care reform: the Committee on Ways and Means, the Committee on Energy and Commerce and the Committee on Education and Labor.

Each of these committees will introduce a bill and then markup the legislation in committee. In this case, the three committees introduced a Tri-Committee Health Care Bill, America's Affordable Health Choices Act of 2009 (H.R.3200), which each they all agreed up and took to their respective committees for markup.

After the markup is complete, H.R.3200 will be presented to the House floor for a vote and, if it passes, will be sent to the Senate. Most likely, the Senate will also have its own bill; therefore, there is a possibility that there will be a conference between the House passed bill and Senate passed bill.

The final bill will have to be passed by the House and the Senate again before it is signed by the President

Currently, all three committees in the House of Representatives have approved H.R.3200: the Committee on Ways and Means and the Committee on Education and Labor (7/17/09), and the Committee on Energy and Commerce (7/31/09). In September, the Committee on Energy and Commerce will review 55 to 60 pending health care reform amendments and compile the passed amendments into a bill to be merged with the health reform bills passed by the three Committees with jurisdiction over health reform: Energy and Commerce, Ways

and Means and Education and Labor.

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