

H.R. 3200 – TRI-COMMITTEE HOUSE HEALTH CARE REFORM LEGISLATION

Facts are from the base text of H.R. 3200 not as amended

The House Democrats released their bill on July 14. H.R. 3200 was marked up by three House Committees: Committee on Education and Labor; Committee on Ways and Means; and Committee on Energy and Commerce. Amendments were added to this legislation during the Committee mark-up process, therefore before the bill is brought to the House Floor, it will need to be merged into one complete bill. The following summarizes the key points of the legislation:

Cost: About \$1.5 trillion over 10 years

Revenue-raisers: A new income tax surcharge on single people making \$280,000 a year and joint filers earning \$350,000 and above; reduced Medicare, Medicaid and CHIP spending and cuts to Medicare Advantage rates. Revenues would also be generated through penalties paid by individuals and employers who don't obtain coverage.

Mandates on individuals: Individuals must have insurance, enforced through tax penalty with hardship waivers. The penalty is 2.5 percent of adjusted gross income.

Mandates on employers: Employers must provide insurance to their employees or pay a penalty of 8 percent of payroll. Companies with payroll under \$250,000 annually are exempt.

Subsidies: Individuals and families with annual income up to 400 percent of poverty level (\$110,280 for a family of four in Alaska/\$54,120 for an individual) would get sliding-scale subsidies to help them buy coverage. The subsidies would begin in 2013.

New Gateway or Health Exchange: This would be open to individuals and small employers and could be expanded to large employers over time.

New Federal Board: A federal board would recommend an "essential benefits package". The new benefit package would be the basic benefit package offered in the exchange.

Government Insurance Package: A new government plan available through the insurance exchanges would be set up and run by the secretary of Health and Human Services. The plan would pay Medicare rates plus 5 percent to doctors who participate in the government plan and Medicare.

Medicaid Expansion: The federal-state insurance program for the poor would be expanded starting in 2013 to cover all non-elderly individuals with incomes up to 133 percent of the federal poverty level