Health Care Reform

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Congressional Committees

• House
  – Ways & Means (Charles Rangel D-NY)
  – Energy & Commerce (Henry Waxman D-CA)
  – Education & Labor (George Miller D-CA)

• Senate
  – Finance (Baucus D-MT)
  – HELP (Harkin D-Iowa)
Consensus in House & Senate Bills

- Individual mandate by 2013
- Support ESI
- Expand Medicaid & CHIP
- Subsidize private insurance
- Create insurance Exchanges
- Public insurance option
- Insurance reform
- Wellness and disease management
House Bill

- Cover an additional 35 m Americans
- Cost less than $900 B/10 yrs
- Employer mandate
- Public option would pay Medicare rates + 5%
- Paid for by
  - 8% payroll tax on employers who do not offer ESI
  - Penalties for those without insurance
  - Reduce Medicare spending by $500 B/10
  - 5.4% surcharge on income over $500,000/ind or $1m/fam
Senate Bill

• Cover an additional 29m by 2019
• Employer mandate?
• Public option-negotiated rates
• Cost $829 B/10 yrs
• Paid for by
  – Fees on insurance, drug, & device companies
  – 40% excise tax on high-insurance policies
  – Reduce Medicare spending by $400 B/10
Insurance Market Reform

• Guarantee issue
• Cannot rescind
• Cannot cap benefits
• Community rating variation
  – House 2:1
  – Senate 4:1
• Rating for age, but not gender or illness
• Repeal antitrust exemption
2010

- Part D drug discount
- Health insurance Exchange
- State ombudsman office to act as consumer advocate for those with private coverage
- Increased transparency of health plans and hospital charges
- Increased funding for state high risk pools
Timeline

• House
  – Tri-committee agreement
  – CBO score
  – House debate, amendments, vote
• Senate
  – Blend Finance Comm. & HELP proposals
  – CBO score
  – Senate debate, amendments, vote
• Committee
• Up or down vote in each house
More to Come

• Delivery system reform
• SGR
• Independent Medicare Commission