



WHAT'S AT STAKE – Federal Health Care Reform

Highlights on how far we've come: Kathleen Stoll, Deputy Executive Director of Families USA, recently relayed seven key areas where there is **broad, bipartisan, early consensus on some issues that affect low income and middle class folks**. These are significant, far-reaching changes to the health care system:

1. **Covering everyone, regardless of income, and significant progress for low income workers.**
 - Current versions of bills include a historic expansion of Medicaid that will cover millions of low income people who have never been eligible before. Likely to extend Medicaid coverage to all adults (not just parents) up to 133% of poverty (24,000 for a family of 3).
 - This provision alone will cover more than 1/3 of the uninsured in our nation. 11 million covered in 2019. [37% of the uninsured have incomes below 100% of the poverty level; 2/3 of the uninsured have incomes below 200% of the poverty level.]
2. **Significant regulation of the health insurance market for those in private plans.**
 - As drafted, health reform will bring needed regulations to private health insurance market. Insurers will not be able to adjust premium rates or deny coverage due to preexisting conditions.
 - Similarly, premium rates cannot be set based on health status, or gender. [Age and geography are still factors that could affect premium rates.]
 - Health insurance companies will be held accountable for how they use premiums. Now there is no regulation that assures premiums are spent on health care. The legislation will require a minimum amount of premium dollars taken in be spent on medical care. In the House bill the amount is set at 85% or they have to refund consumers.
3. **Both House and Senate (Senate HELP) versions have strong robust public plan option that will create competition with private plans.**
 - However, there is serious worry about whether the public option will survive and about what will come out of the Senate Finance Committee draft, where we expect to see a co-op proposal.
4. **Robust new premium subsidies available for working class families.**
 - It is a given that people above Medicaid eligibility level should get public premium subsidies. H & S bills include assistance for people up to 400% of FPL when they lack affordable coverage.
5. **Health reform will Control outrageous out of pocket costs, which will provide real economic security and protect people from bankruptcy caused by health care debt.**
 - Current legislation requires health insurance plans to have hard caps on out of pocket spending.

- Sets overall caps in HB \$5,000 (individual) and \$10,000 (family) for unsubsidized. There will be even lower caps for folks below 400% fpl who get premium subsidies.

6. Help for small businesses.

- Small businesses will get a subsidy to help the owners afford to provide coverage to employees. This will apply to small businesses “determined to need assistance,” and is estimated to help insure a significant number of people. [Half of the uninsured in this country, more than 26 million people, work for small businesses.]

7. Very likely that health reform will eliminate or significantly reduce the donut hole for Medicare prescription drug coverage for senior.