

SEIU Summary of Final Health Care Reform Legislation

SEIU Principle of Reform	Senate HR 3590 as passed 3/21/10																
Coverage for All	<p>Covers 32 million more people by 2019 (94% of population) with combination of Medicaid expansion to 133%FPL, CHIP reauthorization, new insurance exchange with refundable tax credits and cost-sharing assistance, individual and employer responsibility. Expansion begins 2014. Legal immigrants eligible for coverage in exchange; undocumented are not. Reduces deficit over 2010-2019 by \$148 billion according to Congressional Budget Office through combination of cost containment and new revenue.</p>																
Affordability	<p>Medicaid coverage for adults and children to 133% federal poverty level (FPL); some state flexibility on Medicaid benefits; sliding scale tax credits and assistance with cost-sharing to 400%FPL. Premium contributions capped at 2%-9.5% of income up to 400%FPL. Workers can seek coverage in exchange if work-based premium exceeds 9.5% of income; can get voucher from employer if premium above 8% of income, below 9.8%.</p> <p>Premium and Cost Sharing Assistance</p> <table border="1" data-bbox="625 1003 1407 1399"> <thead> <tr> <th data-bbox="625 1003 1119 1122">Income Range (single/family of 4)</th> <th data-bbox="1119 1003 1407 1122">Premium Contribution as % of Income</th> </tr> </thead> <tbody> <tr> <td data-bbox="625 1122 1119 1162">Up to 133%FPL (\$14,404/\$29,327)</td> <td data-bbox="1119 1122 1407 1162">2%</td> </tr> <tr> <td data-bbox="625 1162 1119 1203">134% (\$14,405/\$29,328)</td> <td data-bbox="1119 1162 1407 1203">3%</td> </tr> <tr> <td data-bbox="625 1203 1119 1243">150%FPL (\$16,245/\$33,075)</td> <td data-bbox="1119 1203 1407 1243">4%</td> </tr> <tr> <td data-bbox="625 1243 1119 1284">200%FPL (\$21,660/\$44,100)</td> <td data-bbox="1119 1243 1407 1284">6.3%</td> </tr> <tr> <td data-bbox="625 1284 1119 1325">250%FPL(\$27,075/\$55,125)</td> <td data-bbox="1119 1284 1407 1325">8.05%</td> </tr> <tr> <td data-bbox="625 1325 1119 1365">300%FPL(\$32,490/\$66,150)</td> <td data-bbox="1119 1325 1407 1365">9.5%</td> </tr> <tr> <td data-bbox="625 1365 1119 1399">300%-400%FPL (\$43,320/\$88,200)</td> <td data-bbox="1119 1365 1407 1399">9.5%</td> </tr> </tbody> </table>	Income Range (single/family of 4)	Premium Contribution as % of Income	Up to 133%FPL (\$14,404/\$29,327)	2%	134% (\$14,405/\$29,328)	3%	150%FPL (\$16,245/\$33,075)	4%	200%FPL (\$21,660/\$44,100)	6.3%	250%FPL(\$27,075/\$55,125)	8.05%	300%FPL(\$32,490/\$66,150)	9.5%	300%-400%FPL (\$43,320/\$88,200)	9.5%
Income Range (single/family of 4)	Premium Contribution as % of Income																
Up to 133%FPL (\$14,404/\$29,327)	2%																
134% (\$14,405/\$29,328)	3%																
150%FPL (\$16,245/\$33,075)	4%																
200%FPL (\$21,660/\$44,100)	6.3%																
250%FPL(\$27,075/\$55,125)	8.05%																
300%FPL(\$32,490/\$66,150)	9.5%																
300%-400%FPL (\$43,320/\$88,200)	9.5%																

	<table border="1" data-bbox="625 407 1402 764"> <thead> <tr> <th data-bbox="625 407 1192 602">Income Range (single/family)</th> <th data-bbox="1192 407 1402 602">Actuarial Value (% of expected costs covered)</th> </tr> </thead> <tbody> <tr> <td data-bbox="625 602 1192 643">100-150%FPL</td> <td data-bbox="1192 602 1402 643">94%</td> </tr> <tr> <td data-bbox="625 643 1192 683">150-200%FPL (\$21,660/\$44,100)</td> <td data-bbox="1192 643 1402 683">87%</td> </tr> <tr> <td data-bbox="625 683 1192 724">200-250%FPL (\$27,075/\$55,125)</td> <td data-bbox="1192 683 1402 724">73%</td> </tr> <tr> <td data-bbox="625 724 1192 764">250-400%FPL (\$43,320/\$88,200)</td> <td data-bbox="1192 724 1402 764">70%</td> </tr> </tbody> </table>	Income Range (single/family)	Actuarial Value (% of expected costs covered)	100-150%FPL	94%	150-200%FPL (\$21,660/\$44,100)	87%	200-250%FPL (\$27,075/\$55,125)	73%	250-400%FPL (\$43,320/\$88,200)	70%
Income Range (single/family)	Actuarial Value (% of expected costs covered)										
100-150%FPL	94%										
150-200%FPL (\$21,660/\$44,100)	87%										
200-250%FPL (\$27,075/\$55,125)	73%										
250-400%FPL (\$43,320/\$88,200)	70%										
Employer responsibility	<p>Employers with 50 or more FTEs that don't offer will owe \$2,000 per FT worker/ year to support workers in exchange. FT = 30 or more hrs/wk; no penalty on first 30 FT workers. For employers that offer but not affordable (premium > 9.5% of worker's income) or adequate, workers may go to exchange and employer pays \$3,000/worker, capped at \$2,000 per FT wkr/year. No waiting periods over 90 days permitted. No fee if worker enrolled in Medicaid. Auto-enroll workers in plans with 200 or more workers. Provide workers with W-2 statement indicating health coverage in 2011.</p>										
Individual responsibility	<p>Individuals and dependents must enroll in coverage if affordable, defined as premium at or below 8% of income; penalty if not covered beginning in 2014, with penalty phased in to \$695 per person by 2016 (capped at \$695X 3 per</p>										

	household) or 2.5% of income (above personal exemption), whichever is higher; hardship & religious exemptions; Native Americans, undocumented immigrants exempt; those with incomes below tax filing threshold exempt.
Hold Insurance companies accountable, public option, choice and competition	<p>Beginning in 2014, new state- based insurance exchanges where eligible individuals, small businesses can purchase coverage. Sliding scale financial assistance available only in exchange. Minimum federal rules for exchange, including limit on premiums by age of 3:1. No discrimination based on pre-existing conditions, no dropping or denying coverage. Dependents up to age 26 may stay on parents' plan. No lifetime or annual maximums, no cost preventive benefits. Limits on insurer administrative costs, oversight of rates. Grievance and appeals mechanisms for consumers.</p> <p>For workers enrolled in coverage through work, immediate coverage improvements including dependents up to age 26, no lifetime limits.</p> <p>No public option</p> <p>Includes new national nonprofit(s) overseen by federal employee program administration.</p> <p>Funding to start state-based insurance co-ops.</p>
Promote prevention, quality and better value, contain costs	Strong emphasis on changing payments to reward quality, prevention, care coordination. Crack down on fraud in Medicare, Medicaid. Medicare to penalize preventable hospital readmissions, to pay physicians, hospitals to coordinate care through single payments, to measure and reward quality and outcomes. Medicare reductions to HMOs,

	to hospitals, nursing homes, other providers to account for productivity or overpayments.
Promote greater choice and adequate, trained workforce in long-term care services and supports	Creates Center for Dual Eligibles, new federal funding (\$10+ billion) to reward states for expanding Medicaid home and community based services; new funding for training, new voluntary LTC contributory benefit (“CLASS”).
Invest in health care workforce	Opportunities for training and upgrading in range of health care jobs and professions expected to be in high demand (direct care, nursing, physicians), emphasis on diversity.
Immigration, reducing disparities	Legal immigrants are eligible for exchange and financial assistance without delay in 2014 but Medicaid 5 year bar remains; undocumented can NOT access exchange even without subsidy.
Fair and progressive financing	<p>The largest source of new revenue comes from progressive increase in the Medicare HI payroll tax of 0.9% for those with incomes above \$200K/\$250K, and adding a new 3.8% tax on investment income for those with similar incomes.</p> <p>Less progressive excise tax on high-cost, “Cadillac” plans beginning in 2018 if premiums exceed \$10,200 for individuals; \$27,500 for families; higher thresholds if plan covers early retirees, older or more female workforce. Tax levied on 40% of amount above threshold, to be paid by plan or plan sponsor. Vision & dental not subject to tax. Thresholds indexed to CPI+1% 2018-2020; then CPI.</p> <p>New limits (\$2,500) on contributions to flexible spending accounts (FSAs) beginning in 2013</p>

Medicaid and Impact on state budgets	Expands Medicaid to 133%FPL in 2014, 100% federal financing for 3 years for newly eligible, phasing down to 90% by 2019; CHIP continues with higher match; \$14 billion in DSH cuts beginning 2014. Estimated to cost states \$20 billion 2014-2019; feds to spend \$434 billion for Medicaid expansion. Early expansion states (NY, VT, ME, MN, WA, HI, DE, MA) get rewarded for already expanding to single adults.
--------------------------------------	---

SEIU Department of Public Policy, March 2009