



America's Health Care Choices Act (H.R. 3200): A Historic Step Towards Health Care Reform

America's Health Care Choices Act (H.R. 3200) is a historic health care reform bill that has now passed three separate House committees and will be before the full House of Representatives this fall. The development and passage of this bill represents the greatest progress America has ever made towards fundamental health care reform. The successful creation of a strong unified House bill makes health care reform an achievable goal by the end of 2009.

America's Health Care Choices Act Guarantees Health Security: The bill guarantees solid health care benefits similar to what federal employees receive at a more affordable cost. Americans will have the peace of mind of knowing that either a job will come with health care benefits or they will have access to good affordable coverage through a new National Health Insurance Exchange. Every American will have health care coverage they can count on, even if they lose their job, change jobs, move, or get sick. For the first time, annual out-of-pocket expenses will be capped at \$5,000 per individual and \$10,000 for families. This will prevent over 10,000 health care related bankruptcies in Wisconsin each year.¹ Preventive care services will be covered with no co-payments or deductibles.

America's Health Care Choices Act Strengthens Coverage at Work: Your employer will be required to provide coverage with good benefits and pay a reasonable proportion of insurance premiums or pay into the system. Coverage will have to include prevention, doctors, hospitals, prescription drugs, mental health and dental and vision care for children. Your employer will be responsible for paying a reasonable share of the premium (no less than 72% for individual coverage and 65% for family coverage). If your employer chooses not to provide coverage (a choice they have today) they will pay an 8% assessment to help support the new National Health Insurance Exchange where you and your family will be able to choose from a range of high quality health plans with benefits similar to what federal employees receive.

America's Health Care Choices Act Creates Quality Affordable Options Outside of Work: If you don't get health insurance coverage through work, and you are not on Medicare, you'll get coverage through a new National Health Insurance Exchange. The exchange is a market place where people can choose from standard benefits packages offered by private health insurers and a new public health insurer. All will have good benefits, but some may choose plans with higher co-payments and deductibles in return for lower premiums. For the first time there will be complete transparency so that every consumer has the clear, complete information they need to select the plan that best meets their needs. The amount you pay for coverage will depend on income, with subsidies for low and moderate income families (up to \$88,000 for a family of four). Out of pocket costs are capped.

America's Health Care Choices Act Outlaws Worst Insurance Company Abuses: Whether you get insurance at work or through the new exchange, insurance companies will have to follow new rules. Insurance companies will no longer be able to deny coverage or raise rates due to preexisting conditions. They will also no longer be able to charge higher rates based on gender or occupation. The bill outlaws the practices of insurance companies cancelling coverage after a person becomes seriously ill, or selectively refusing renewals to some

individuals (rescissions). Lifetime limits on the value of health insurance coverage are also prohibited, further protecting the seriously ill from medical bankruptcy. Higher premium rates based on age will be limited.

America's Health Care Choices Act is Paid for Fairly: The bill is funded fairly, through shared responsibility of individuals, employers, and government. The legislation is paid for in two ways. First, savings in the current system are achieved through rewarding the efficient delivery of health care and stopping overpayments to private insurance companies in Medicare. Second, there is a 1.5% surcharge on the wealthiest tax payers, those with individual incomes of \$280,000 or more for individuals or family incomes of \$350,000 or more. 99.5% of tax filers in Wisconsin would not be affected by this surcharge.²

America's Health Care Choices Act Provides Affordable Coverage for Small Businesses: Small businesses will be able to reduce their costs, increase health insurance choices for their employees, and be more competitive. Small businesses with 10 employees or less will be able to purchase coverage through the new National Health Insurance Exchange, which will give them access to much higher quality and more affordable coverage than they have today. (Larger small businesses will be phased in over time). All small businesses will receive new tax-credits to make health insurance more affordable. The smallest small businesses will not be required to purchase insurance. Larger small businesses will pay a much lower percentage of wages, based on a sliding scale, than large businesses.

America's Health Care Choices Act Reduces Prescription Drug Costs for Seniors: Seniors receive a \$500 reduction in the Medicare drug benefit "donut hole." This will benefit over 74,000 Wisconsin seniors.³

America's Health Care Choices Act Reins in the Deficit: Skyrocketing health care costs are the largest driver of our national deficit. The bill gets health care hyperinflation under control by reducing waste and overpayments to insurance companies, reforming the health care system to improve quality and reducing cost, and strengthening Medicare. The bill emphasizes primary and preventative care, and the management of chronic diseases, in order to increase quality and lower costs.

America's Health Care Choices Act's Benefits in Wisconsin by the Numbers:⁴

- 10,278 health care-related personal bankruptcies in Wisconsin would be prevented each year through caps on annual out-of-pocket medical expenses.
- 123,600 small businesses in Wisconsin would be eligible for tax credits for up to 50% of the cost of providing health insurance.
- 586,000 uninsured people in Wisconsin would have access to quality affordable coverage similar to what federal employees receive.
- \$786 million per year would be saved by Wisconsin health care providers in the cost of uncompensated care, lowering overall health insurance rates.
- 74,100 seniors in Wisconsin would no longer fall into the prescription drug "donut hole" under Medicare Part D, making their medications much more affordable.
- The cost of the bill is fully paid for, and the major funding source, a surcharge on the incomes of the wealthy, would not affect 99.5% of taxpayers in Wisconsin.



For the latest health care reform news & information see Citizen Action's "No Sacred Cows Blog,"

www.citizenactionwi.org

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¹ U.S. House Committee on Energy and Commerce, July 2009

² U.S. House Committee on Energy and Commerce, July 2009

³ U.S. House Committee on Energy and Commerce, July 2009

⁴ U.S. House Committee on Energy and Commerce, July 2009