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Sources: Congressional Budget Office, the House and the Senate

Comparing the House and the Senate Health Care Proposals

Senate Democrats unveiled sweeping legislation Wednesday to overhaul the nation's health care system. Earlier this month the House passed its own version. The proposals are broadly similar but differ on some major issues, such as on a new government insurance plan, abortion and immigration. Many provisions of the Senate bill, including the mandate for individuals to obtain insurance and the creation of insurance markets, would take effect in 2014, a year later than similar provisions of the House bill. A look at how the proposals compare on some key issues:

	House	Senate
Individual Mandate	<p>Includes mandate.</p> <p>Penalty: Tax equal to 2.5 percent of adjusted gross income over certain thresholds (\$9,350 for individuals, \$18,700 for couples).</p> <p>Exemptions: American Indians, people with religious objections and people who can show financial hardship.</p>	<p>Includes mandate.</p> <p>Penalty: Starts at \$95 a year per person in 2014 and rises to \$350 in 2015 and \$750 in 2016, with a maximum of \$2,250 for a family. No penalty if the cost of cheapest available plan exceeds 8 percent of household income.</p> <p>Exemptions: American Indians, people with religious objections and people who can show financial hardship.</p>
Employer Contribution	<p>Require employers with annual payrolls of \$500,000 or more to offer coverage to employees or pay a new federal tax.</p> <p>Penalty: Up to 8 percent of wages in payroll taxes. Employers with</p>	<p>Does not explicitly require employers to offer coverage. But a company with 50 or more full-time workers would pay a penalty if it does not offer health benefits and if any of the workers obtain subsidized coverage through the</p>

	<p>payrolls of \$500,000 to \$750,000 would pay 2 percent to 6 percent of wages, and those with payrolls above \$750,000 would pay the full 8 percent.</p> <p>Employers would have to contribute at least 72.5 percent of the premium cost for individuals and 65 percent for families for the lowest-cost plan that meets the minimum benefit requirements set by the government.</p>	<p>new health insurance exchanges.</p> <p>Penalty: \$750 for each full-time worker in the company.</p>
<p>Insurance Exchange</p>	<p>Would create a national insurance exchange. States could operate their own exchanges, with federal approval.</p> <p>Open to people who do not have qualifying coverage through an employer or a public program.</p> <p>Open to employers with 25 or fewer employees in the first year, 50 or fewer in the second year and 100 or fewer in the third year. The exchange could be expanded to larger employers over time, “with the goal of allowing all employers access.”</p> <p>Until the exchange is established, a temporary program would provide coverage to “those who have been uninsured for several months or denied a policy because of pre- existing conditions.”</p>	<p>States would form their own exchanges. Several states could join together to form a regional exchange.</p> <p>Open to people who do not have qualifying coverage through an employer or a public program.</p> <p>Open to employers with 50 or fewer employees, but states could allow employers with up to 100 workers to participate. Starting in 2017, states could also allow larger businesses to participate.</p> <p>Penalty: Typically \$750 for each employee at the firm.</p>

<p>Public Plan</p>	<p>Public plan would negotiate payment rates with doctors and hospitals (rather than using Medicare rates set by the government).</p> <p>The government would allocate \$2 billion in start-up money, but beneficiary premiums would have to cover the full cost of the plan.</p> <p>The government would also provide loans to start nonprofit insurance cooperatives.</p>	<p>Public plan would negotiate rates with doctors and hospitals. A state could refuse to participate in the public plan by adopting a law</p>
<p>Subsidies for Individuals</p>	<p>Available to people with incomes up to 400 percent of the federal poverty level (\$88,200 for a family of four).</p>	<p>Available to people with incomes up to 400 percent of the federal poverty level.</p>
<p>Subsidies for Employers</p>	<p>Employers with 25 or fewer workers and average wages of \$40,000 or less would qualify for tax credits. The amount, up to 50 percent of premium costs, phases out as firm size and average wages increase. The credit would not be allowed for employees earning more than \$80,000 a year.</p> <p>From 2013 to 2015, the federal government would cover 80 percent of the cost of a retiree’s medical claims of more than \$15,000, with a cap at \$90,000 — at which point the employer’s plan would pay the rest.</p>	<p>Employers with 25 or fewer workers and average wages of \$40,000 or less would qualify for tax credits. The amount, up to 50 percent of premium costs, phases out as firm size and average wages increase.</p> <p>The federal government would cover 80 percent of the cost of a retiree’s medical claims of more than \$15,000 through 2013, with a cap at \$90,000 — at which point the employer’s plan would pay the rest.</p>

Expand Medicaid	<p>Cover everyone with incomes less than 150 percent of the poverty level (\$33,075 for a family of four).</p> <p>Estimated number of new recipients: 15 million.</p> <p>The federal government would pay all the costs for those who are newly eligible for the first two years and 91 percent of the costs after that.</p>	<p>Cover everyone with incomes less than 133 percent of the poverty level (\$29,327 for a family of four).</p> <p>Estimated number of new recipients: 14 million.</p> <p>The federal government would pay all the costs for those who are newly eligible for the first three years. After 2016, the share of federal spending would vary somewhat from year to year, but would average about 90 percent. Currently, the federal government pays about 57 percent, on average, of the costs of Medicaid benefits</p>
Defining Benefits	<p>The basic plan would cover 70 percent of the cost of the benefits. Consumers would pay the remainder, in deductibles, co-payments and other charges.</p> <p>The exchange would offer three other benefit plans, covering up to 95 percent of costs.</p>	<p>The basic plan would cover 60 percent of the cost of the benefits.</p> <p>The exchanges would offer three other benefit plans, covering 70 percent to 90 percent of costs. The Congressional Budget Office says policies bought in the individual insurance market now average 55 percent to 60 percent</p>
Insurance Regulations	<p>Premiums for older people cannot be more than double the premium for young adults.</p> <p>The legislation would strip health insurance companies of their antitrust exemption. It would outlaw price fixing, bid rigging and “market allocations” by companies that sell health insurance or</p>	<p>Premiums for older people cannot be more than three times the premium for young adults.</p> <p>The legislation would not strip health insurance companies of their longstanding exemption from federal antitrust laws.</p>

	medical malpractice insurance.	
Dependent Coverage	Allow children to stay on their parents' insurance plans through age 26. Currently, states set the age at which adults can no longer be covered by their parents' insurance.	Allow children to stay on their parents' insurance plans through age 25.
Long Term Care	<p>The premiums would cover the full cost of the benefits, which would average at least \$50 a day.</p> <p>Workers would have to contribute for at least five years before they could collect benefits</p>	The premiums would cover the full cost of the benefits, which would average \$75 a day, according to the Congressional Budget Office.
Abortion	<p>Health plans could choose whether to cover abortion.</p> <p>Low- and middle-income people who receive federal subsidies to buy insurance could not choose a health plan that covers elective abortions.</p> <p>The public plan would not provide abortion coverage.</p>	<p>Health plans could choose whether to cover abortion. In each state, there would have to be at least one plan that covers abortions and one that does not.</p> <p>Low- and middle-income people who receive federal subsidies to buy insurance could enroll in health plans that cover abortion. But insurers would be required to segregate their federal subsidies into separate accounts and use only the premium money and co-payments contributed by consumers to cover the procedure.</p> <p>The public plan could provide abortion coverage but would have to segregate federal dollars, just like the private plans.</p>
Illegal Immigrants	Could buy insurance from the exchanges, but could not get federal	Could not buy insurance from the exchanges, even if they were able to

	subsidies to help pay the costs.	pay the full cost themselves, without federal subsidies.
Children of the Poor	The program would no longer exist. Children with family incomes up to 150 percent of the poverty level (\$33,075 for a family of four) would receive coverage through Medicaid. Families with higher incomes that are still eligible for subsidies could buy coverage through the exchange.	Children now enrolled in the Children's Health Insurance Program would continue to receive coverage through the program. Beginning in 2014, states would receive higher federal reimbursement for the program's beneficiaries, increasing from an average of 70 percent to 93 percent.
Total Cost and Coverage	About \$1.052 trillion. Expected to reduce deficits by \$139 billion. 36 million people would gain coverage, leaving 18 million uninsured.	\$849 billion. Expected to reduce projected federal budget deficits by \$130 billion. 31 million people would gain coverage, leaving 23 million uninsured.
Paying for the Proposals	A 5.4 percent surtax on high-income people — couples with adjusted gross incomes of more than \$1 million a year and individuals over \$500,000. Expected to raise \$460 billion from 2011 to 2019. A 2.5 percent excise tax on the medical devices sold for use in the United States. Expected to raise \$20 billion from 2013 to 2019. Squeeze \$404 billion out of the projected growth in Medicare and other federal programs over 10 years, including \$117 billion from cuts in Medicare Advantage plans. The government pays about 14 percent more for the private plans	A 40 percent excise tax on so-called Cadillac health plans — employer-sponsored group health plans with premiums over \$8,500 for individual coverage and \$23,000 for family. Expected to raise \$149 billion from 2013 to 2019. Annual fees, allocated by market share, on health care companies: \$6.7 billion on insurance companies, \$2 billion on manufacturers of medical devices and \$2.3 billion on drug makers. Expected to raise more than \$100 billion from 2010 to 2019. Squeeze \$436 billion out of the projected growth in Medicare and other federal programs over 10

	<p>than it would pay for the same people in traditional Medicare</p>	<p>years, including \$118 billion in cuts to federal subsidies for privately offered Medicare Advantage plans.</p> <p>Increase in the Medicare payroll tax rate — from 1.45 percent to 1.95 percent for workers with incomes of more than \$250,000 a year. Expected to raise about \$54 billion from 2010 to 2019.</p> <p>A 5 percent tax on elective cosmetic medical procedures. The tax would be paid by patients, but collected by doctors and clinics and forwarded to the government.</p>
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