

Comparing the Major Provisions of the House and Senate Health Care Proposals

The U.S. House of Representatives passed H.R. 3692, the Affordable Health Care for America Act, on Nov. 7, with a vote of 220-215. The Senate followed with passing their version of a health care reform package, H.R. 3590, the Patient Protection and Affordable Care Act on Dec. 24, with a vote of 60-39.

Now, a conference committee will be formed with representatives from both the House and Senate to work out the differences between the two bills. There are several key differences between the two different versions of the health care reform packages between the House and Senate that will be contentious in working towards a final package. Once a compromise is agreed upon the conference committee, it will need to be approved by both the House and Senate before being sent to the President for his signature.

Key Provisions	House Bill	Senate Bill
Cost	\$1.052 Trillion.	\$871 Billion
Tax Increases/New Excise Taxes	<ul style="list-style-type: none"> • \$5.4% surtax on high-income people- couples with adjusted incomes of more than \$1 million a year and individuals over \$500,000. • \$2.5% excise tax on the medical devices sold for use in the United States. 	<ul style="list-style-type: none"> • 40% excise tax on so-called Cadillac health plans, employer-sponsored health plans with premiums over \$8,500 for individual coverage and \$23,000 for family. • Annual fees, allocated by market share, on health care companies. Starting in 2011, drug makers would pay \$2.3 billion a year. Manufacturers of medical devices would pay \$2 billion in 2011 and \$3 billion after 2017. For insurance companies, the fee would start at \$2 billion in 2011 and gradually increase to \$10 billion a year in 2017. • Increase in Medicare payroll tax rate, from 1.45% to 2.35% for individuals earning more than \$200,000 a year

		and families earning more than \$250,000.
Individual Mandate	<p>Yes: Requires that most Americans have a minimum level of health insurance or else pay a penalty.</p> <p>Penalty:</p> <ul style="list-style-type: none"> • Tax Equal to 2.5 percent of adjusted gross incomes over certain thresholds (\$9,350 for individuals, \$18,700 for couples). 	<p>Yes: Requires that most Americans have a minimum level of health insurance or else pay a penalty.</p> <p>Penalty:</p> <ul style="list-style-type: none"> • \$95 a year or 0.5 percent of a household's income, whichever is greater, in 2014; \$495 or 1 percent of income in 2015; \$750 or 2 percent of income 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.
Employer Mandate	<p>Yes: Requires employers with annual payrolls of \$500,000 or more to offer coverage to employees or pay a new federal tax. Employers would have to contribute at least 72.5% of the premium cost for individuals and 65% for families for the lowest-cost plan that meets the minimum benefit requirements set by the government.</p> <p>Penalty:</p> <ul style="list-style-type: none"> • Up to 8% of wages in payroll taxes. Employers with payrolls of \$500,000 to \$750,000 would pay 2% to 6% of wages, and those with payrolls above \$750,000 would pay the full 8%. 	<p>Maybe: Would 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 new health insurance exchange.</p> <p>Penalty:</p> <ul style="list-style-type: none"> • \$750 for each full-time worker in the company. Employers with more than 50 workers that offer coverage would also pay a penalty if any of the workers obtain subsidies to buy insurance. In this case, the penalty would be \$3,000 for each employee who receives subsidized coverage or \$750 for each full-time worker in the company, whichever is lesser.
Health Insurance Market Exchange	Yes: Would create a national insurance exchange, states could	Yes: States would form their own exchanges. Several states could

	<p>operate their own exchanges with federal approval. Open to people who do not have qualifying coverage through an employer or a public program. 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.</p> <p>Tax Credits:</p> <ul style="list-style-type: none"> • Would provide tax credits to low-and middle-incomes people to help them buy insurance through the exchange. Available to people with incomes up to 400% of the federal poverty level (\$88,200 for a family of four), 	<p>join together to form a regional exchange. Open to people who do not have qualifying coverage through an employer or a public program. Open to employers with 100 or fewer workers, but states could allow employers with 50 or fewer workers to participate until 2016. Starting in 2017, states could allow employers with more than 100 workers to participate in the exchange. Workers who are covered through their employers and spend between 8 and 9.8% of their total incomes for premiums could buy insurance through the new exchanges with their employer’s money. Employers can convert their contribution to employee health coverage into vouchers.</p> <p>Tax Credits:</p> <ul style="list-style-type: none"> • Would provide tax credits to low-and-middle-incomes people to help them buy insurance through the exchange. Available to people with incomes up to 400% of the federal poverty level.
<p>Government-Run Public Option</p>	<p>Yes: Would create a new government insurance plan to compete with private insurers. Public plan would negotiate payment rates with doctors and hospitals (rather than using Medicare rates set by the government). The government would allocate \$2 billion in start-up money, but beneficiary premiums would have to cover the full cost of the plan. The government would also provide loans to start nonprofit insurance cooperatives.</p>	<p>No: Would not create a public plan. The federal Office of Personnel Management, which provides health benefits to federal employees, would sign contracts with insurers to offer at least two national health plans to individuals, families and small businesses. The new plans would be separate from the programs for federal employees, and premiums would be calculated separately.</p>

Tax Credits for Small Businesses	Yes: Would provide tax credits to small businesses that want to offer health care coverage. Employers with 25 or fewer workers and average wages of \$40,000 or less would qualify for tax credits for up to two years.	Yes: Would provide tax credits to small businesses that want to offer health care coverage. Employers with 25 or fewer workers and average wages of \$500,000 or less would qualify for tax credits for up to six years.
Medicaid Expansion	Yes: Would expand Medicaid to cover millions of additional people, including parents and childless adults who are not eligible under current rules. Would cover everyone with incomes less than 150% of the poverty level (\$33,075 for a family of four). The federal government would pay all the costs for those who are newly eligible for the first two years and 91% of the costs after that.	Yes: Would expand Medicaid to cover millions of additional people, including parents and childless adults who are not eligible under current rules. Would cover everyone with incomes less than 133% of the poverty level (\$29,327 for a family of four). From 2014 to 2016, the federal government would pay all of the costs for covering the newly eligible. The share of federal spending would vary from year to year after 2016. Nebraska is the only states that would receive 100% of the cost of expanding Medicaid.
Prohibition of Denial of Coverage for Pre-Existing Conditions	Yes: Prohibits insurers from denying coverage or charging higher premiums because of a person's medical history or health condition.	Yes: Prohibits insurers from denying coverage or charging higher premiums because of a person's medical history or health condition.
Prohibition of Coverage for Abortions	No: Health plans could choose whether to cover abortion. The public plan however would not provide abortion coverage.	Maybe: Health plans could choose whether to cover abortion or not. But states could prohibit the coverage of abortions by health plans that are offered for sales through the new insurance exchanges.