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House Poised to Debate Health Reform Bill Following Introduction of H.R. 3962

AHIP, Washington Update, 10/30/2009

At an October 29 press conference, House leaders announced the release of legislative language for H.R. 3962, the "America's Affordable Health Choices Act." This 1,990-page bill is expected to be considered on the House floor late next week.

An AHIP statement on the House bill can be found by clicking [here](#). While the precise timing of House floor action is uncertain, House leaders reaffirmed this week that, before voting on the bill, members will have 72 hours to review the legislative language and a yet-to-be-released manager's amendment that will make additional changes. House Majority Leader Steny Hoyer (D-MD) said late yesterday that he expects the manager's amendment to be released on Monday and that the bill could be considered on the House floor as early as Thursday. Over the past 24 hours, however, there have been indications that this timeframe is likely to be pushed back. Leader Hoyer has notified members that, if necessary, the House may be in session on the weekend of November 7-8 and on the following Monday and Tuesday.

The following are key elements of the House bill that was introduced yesterday:

Insurance Market Reforms (2010): Beginning in 2010, the following reforms would take effect:

- an 85% minimum would be set for medical loss ratios, with rebates required for plans that do not meet this requirement;
- rescissions would be allowed only when fraud occurs and would be subject to independent review;
- plans would be required to justify premium increases in an annual review process that would be conducted by the HHS Secretary in conjunction with the states;
- the "look-back" period that applies for purposes of determining whether a person has preexisting conditions would be reduced from six months to 30 days and the timeframe during which a plan can exclude coverage for the preexisting conditions of new enrollees would be reduced from 12 months to three months;



- individuals through age 26 who are not otherwise covered would be allowed to remain on their parent's health coverage at their parent's discretion; and
- lifetime limits would be prohibited.

Insurance Market Reforms (2013): Beginning in 2013, additional reforms would take effect: guaranteed issue and renewal, no preexisting condition exclusions, no premium variation based on health status or gender, and premium variation based only on age (no more than 2:1), geography, and family size.

Government-Run Plan: Beginning in 2013, a government-run health insurance plan would be established and offered through the newly created health insurance exchange. The Secretary would negotiate payment rates with health care providers. Medicare providers would be presumed to participate in the government plan unless they opt out.

Health Insurance Exchange: Individuals without coverage and small employers would be eligible to purchase coverage through a newly established health insurance exchange. The exchange would be administered by a Health Choices Commissioner who would have wide-ranging authority, including setting standards for participating plans, auditing and sanctioning participating plans, enforcing insurance market reforms, and collecting data for quality improvement and other activities.

Interstate Health Insurance Compacts: Beginning in 2015, two or more states could facilitate the purchase of individual health insurance coverage across state lines. The NAIC would develop model guidelines for the creation of such compacts.

Premium Assistance: Beginning in 2013, individuals and families with incomes up to 400 percent of the federal poverty level who are not Medicaid-eligible would qualify for affordability credits.

Individual Coverage Requirement: A requirement for individuals to obtain coverage would be established beginning in 2013. A 2.5% tax would be imposed on the modified adjusted gross income of individuals who fail to meet this requirement, although exemptions would be allowed in cases of hardship.

Employer Mandate: Employers would be required to either provide specified health coverage to employees or pay a tax equal to 8% of the average wages of



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their workforce. Small employers with annual payrolls below \$500,000 would be exempt from this requirement.

CLASS Program: A national voluntary long-term care insurance program, funded by premiums, would be established to provide cash benefits to meet the needs of individuals who have functional limitations.

The items noted above represent only a sample of the provisions in this bill. There are hundreds of additional provisions contained within the 1,990 pages of this very large bill. House leaders have released a section-by-section summary and an implementation timeline for this bill.

Senate Bill Submitted to CBO for Scoring; Government Plan Included

At an October 26 press conference, Senate Majority Leader Harry Reid (D-NV) announced that the Senate's health reform bill would be submitted to the Congressional Budget Office (CBO) later that day and that this bill includes a public option that states could choose to opt out of (but without any "trigger"). He also noted that this bill includes health insurance cooperatives.

Leader Reid did not offer any additional details about the bill that was submitted to CBO, except that it is a "meld of the two bills" that previously were approved by the Senate HELP Committee and the Senate Finance Committee. It is not clear when legislative language will be publicly released. After the CBO score is completed, probably next week, it is expected that there will be at least a 72-hour interval before the Senate floor debate begins. In a brief question and answer session with reporters, Leader Reid declined to say whether he believes 60 senators will vote to approve cloture on a bill containing a public option.

The American Senior Benefits Association (ASBA) is a 501(c)(3) not-for-profit association where membership is completely free. ASBA is committed to lifestyle enhancement through benefits, advocacy and education for the over-50 population. ASBA concentrates its efforts on the issues that are of greatest concern to its members. Through its partners and programs, ASBA members receive product and service discounts, as well as other benefits. Current ASBA membership stands at over 500,000 nationally.