

AMERICAN HEALTH BENEFITS PROGRAM
CONGRESSMAN JIM LANGEVIN
Short Summary

Universal Coverage
Access to Choice and Affordability
Shared Responsibility – Government, Consumers, Employers

The Federal Employee Health Benefits Program (FEHBP) currently manages health insurance for more than 8 million federal employees, retirees and their dependents. FEHBP, which is comprised of private insurance carriers, is administered by the federal government. The Office of Personnel Management (OPM) is responsible for approving or disapproving carriers and negotiating benefit and rate changes. With very low administrative costs, this managed competition program offers enrollees a range of choices of health insurance plans, from very basic packages to more inclusive plans and including national fee-for-service plans, as well as local HMOs.

Congressman Langevin proposes an FEHBP-style program for all Americans. All Americans not participating in existing federal or certified programs will be required to participate. The program will be named the American Health Benefits Program (AHBP). The government will assume primary responsibility for negotiating health benefit packages for all participating Americans. The government will provide a defined contribution toward every enrollee's premium and actively manage and regulate the process of informed consumer choice, motivating private insurance companies to produce a favorable combination of efficiency and equity. Plans will compete for enrollees on the basis of benefits as well as efficiency, service and price.

Eligibility

- All Americans not eligible for Medicare, Medicaid, TRICARE, Veterans or Indian Health Programs will be eligible for a health care package through AHBP.

Financing/Administration

- A new agency will perform the duties that OPM is currently responsible for with regard to FEHBP.
- The government will pay enrollee premiums directly to the health care plan of the enrollee's choice. The enrollee is responsible for up to 28% of the premium (subsidies will be available for families where this would be a hardship), which he/she may opt to have withheld from his/her pay.
- Employers must play a role in the nation's health care system. AHBP will give them a choice as to how to participate. Employers who currently negotiate and offer health insurance as a benefit to their employees may continue to do so. Alternatively, they may choose to participate in the system by contributing to the financing of AHBP, thus minimizing their role to a fixed, predictable, mandatory payroll tax. This funding stream will finance the government's contribution to enrollee premiums and relieve employers of the burden of procuring, paying for and negotiating health care packages for their employees.
- The AHBP program would include a premium assistance/cost-sharing program for lower-income Americans. Individuals/families for whom the premium would be a hardship would be responsible for a lesser portion of the premium or completely subsidized. Cost-sharing subsidies for co-payments would also be available for individuals and families below 250% of the poverty line. All such subsidies will be determined on a sliding scale.

Benefit

- As in FEHBP, Americans would have access to a selection of group plans (fee-for-service and local HMOs) offered by private insurance carriers.