Affordable Care for All Americans

March 25, 2010

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Putting the American People in Control Over Their Own Health Care.

Not Government or Insurance Companies

- Greater Security by Ending the Worst Insurance Company Abuses;
- More Choices by Giving Small Businesses and Americans without Insurance the Same Choices as Members of Congress;
- Reduced Costs for Individuals, Families, and Businesses

Family of Four with Employer-Sponsored Coverage Making $70,000

Today

- Comprehensive coverage through employer.
- Their plan has lifetime and restrictive annual limits on how much care they will pay for.

With Reform

2010: ➡ Keep their current coverage if they like it.

➡ Insurance Company will drop the lifetime limits and restrictive annual limits on how much care they pay for and won't be able to drop coverage when people get sick.

2011: ➡ Insurance company must publicly disclose requested premium increases before they take effect. Insurance companies must send rebates to consumers if they spend too much on bureaucracy, marketing, or executive salaries.

Family of Four in a New Plan Whose Insurance Company Denies Paying for a Treatment their Doctor Recommended

Today

- ➢ Families have to navigate whatever appeals process their insurance company may have set up.
- ➢ Families either pay for the treatment on their own or go without it.

With Reform

2010: ➡ The family will be able to appeal the insurance company's decision denying treatment and payment claims through a straightforward, clear, and independent process.

Uninsured Single Mother with Two Children Working for a Small Business Making $40,000

Today

- Her company does not offer insurance to its employees.
- She makes too much money to be eligible for CHIP, yet too little to purchase quality health insurance for her family.

With Reform

2010: ➡ Her employer may be eligible for as much as a 35% tax credit to offer insurance.

2014: ➡ She could buy affordable health insurance through an Exchange, which will offer high quality insurance options with easy-to-understand information so she can pick the best plan for her family.

➡ The family will receive tax credits to help them afford private insurance, and out-of-pocket costs will be capped.

➡ Insurance companies can no longer discriminate based on pre-existing conditions or gender.

Retired Medicare Beneficiary

Today

- Medicare provides her with access to much of the care she needs.
- She worries that if she needs to take more prescription drugs, she will fall into the Part D "donut hole," which could leave her with several thousand dollars in out-of-pocket prescription drug bills.
- She sometimes avoids recommended preventive screenings and exams to avoid out-of-pocket expenses.

With Reform

2010: ➡ Medicare prescription drug donut hole <u>costs will be reduced by $250</u> this year.

2011: ➡ She will receive a <u>50 percent discount on prescription drugs in the donut hole</u>, and the donut hole will be closed entirely by 2020.

➡ Recommended preventive services like blood tests and cancer screenings will be provided at no cost to her.

➡ She will be eligible for a <u>free annual wellness visit</u>.

Unemployed Couple Without Insurance Making $15,000 per year in Unemployment Benefits

Today

- Health insurance is currently unaffordable.
- Even if they could afford insurance, they could be turned down for any pre-existing condition.

With Reform

2010: ➡ If one of them has a pre-existing condition, he or she can buy coverage in a new subsidized high risk pool at affordable rates.

2014: ➡ The couple would be eligible for Medicaid; or

➡ They can buy health insurance in the private market without fear of being denied coverage, with a tax credit to make coverage affordable.

Uninsured 24 year-old Recent College Graduate Looking for Employment

Today

- He is not eligible for his parent's plan because he is over the age of 22.
- While he's looking for work, he cannot find an affordable plan on the individual market.

With Reform

2010: ➡ He can stay on his parent's plan until he is 26.

2014: ➡ If his new employer does not offer insurance by the time he is 26, he will be able to buy a plan through the exchanges. Any plan offering coverage in the exchanges will not be able to charge more because of previous medical history. He could also be eligible for a tax credit to make coverage more affordable.

➡ As a young adult, he could also choose a less expensive catastrophic policy.

Auto Repair Shop with 10 Employees Gets $24,500 Credit for 2010

Main Street Mechanic:

- ***Employees***: 10
- ***Wages***: $250,000 total, or $25,000 per worker
- ***Employer Health Care Costs***: $70,000

2010 Tax Credit: $24,500 (35% credit)
2014 Tax Credit: $35,000 (50% credit)

Restaurant with 40 Part-Time Employees Gets $28,000 Credit for 2010

<u>**Downtown Diner:**</u>

- ***Employees***: 40 half-time employees (the equivalent of 20 full-time workers)
- ***Wages***: $500,000 total, or $25,000 per full-time equivalent worker
- ***Employer Health Care Costs***: $240,000

2010 Tax Credit: $28,000 (35% credit with phase-out)
2014 Tax Credit: $40,000 (50% credit with phase-out)

Foster Care Non-Profit with 9 Employees Gets $18,000 Credit for 2010

First Street Family Services.org:

- ***Employees***: 9
- ***Wages***: $198,000 total, or $22,000 per worker
- ***Employer Health Care Costs***: $72,000

2010 Tax Credit: $18,000 (25% credit)

2014 Tax Credit: $25,200 (35% credit)

Premium Scenario #1: The Smith Family

Today

- The Smith Family is a family of four, with an annual income of $55,000.
- Mrs. Smith works for the Glass Company in a mid-western suburb, which does not offer health care to its employees.

Without Reform (2014)

- The average premium on the individual market for the Smith family would be $11,328.*

With Reform (2014)

- The family would have access to affordable quality health coverage in an Exchange. The annual premium would be $9,063.* They would receive a tax credit of $3,918, so they would pay $5,145 in total premiums.
- The premium savings under reform would be $6,183.

*Source: Based on CBO's 11/30/09 Letter to Senator Bayh, which assumed from 14% to 20% savings per policy holder under reform, not counting the premium cost of buying up benefits. This analysis assumes 20% savings.

Premium Scenario #2: Jennifer Brady

Today

- Jennifer Brady is a 22-year old recent college graduate. She makes $27,000 a year and works for a company that does not offer health coverage to its employees.

Without Reform (2014)

- The average premium on the individual market would be $4,196.*

With Reform

- Starting this year, she could get coverage on her parent's policy until she is 26.
- In 2014, Jennifer would have access to affordable coverage in an Exchange. Her annual premium would be $3,357, and she would receive a tax credit of $830.* She would pay $2,527 in total premiums, and her premium savings under reform would be $1,669.
- As a young adult, she could also choose a less expensive catastrophic policy.

*Source: Based on CBO's 11/30/09 Letter to Senator Bayh, which assumed from 14% to 20% savings per policy holder under reform, not counting the premium cost of buying up benefits. This analysis assumes 20% savings.