

**Key Features of the
Tri-Committee Health Reform Draft Proposal
in the House of Representatives
June 8, 2009**

President Obama's Commitment: The Tri-Committee bill fulfills the President's commitment to health care reform via legislation that:

- Reduces costs;
- Protects current coverage and preserves choice of doctors, hospitals and health plans; and
- Ensures affordable, quality health care for all.

Plan Overview:

- Maintains the ability for people to keep what they have and minimizes disruption;
- Invests in health care workforce to improve access to primary care;
- Invests in prevention and public health programs;
- Creates a new national health Exchange that permits States the option of developing a State or regional exchange in lieu of the national Exchange;
- Establishes shared responsibility among individuals, employers, and government;
- Offers sliding scale credits to ensure affordability for low and middle-income individuals and families;
- Jump starts health care delivery system reforms to reduce costs, maintain fiscal sustainability, and improve quality; and
- Expands authority to prevent waste, fraud and abuse.

Workforce Investments:

- Expands the National Health Service Corps;
- Boosts training of primary care doctors and expands pipeline of individuals going into health professions, including primary care, nursing and public health;
- Supports workforce diversity efforts; and
- Expands scholarships and loans for individuals in needed professions and shortage areas.

Prevention and Wellness:

- Expands Community Health Centers;
- Waives cost-sharing for preventive services in benefit packages;
- Creates community-based programs to deliver prevention and wellness services;
- Targets community-based programs and new data collection efforts to better identify and address health disparities; and
- Strengthens state, local, tribal and territorial public health departments and programs.

Insurance Market Reforms:

- Ensures availability of coverage by prohibiting insurers from excluding pre-existing conditions or engaging in other discriminatory practices;
- Prohibits rating based on gender, health status, or occupation and strictly limits premium variation based on age;
- Establishes a new Health Insurance Exchange to create a transparent marketplace for individuals and small employers to comparison shop among private insurers and a new public health insurance option; and
- Introduces administrative simplification and standardization to reduce administrative costs across all plans and providers.

Ensuring Affordability and Access:

- Includes sliding scale affordability credits in the Exchange to support individuals and families with incomes between Medicaid eligibility levels and 400% of the federal poverty level (FPL); (*NOTE: The average cost of family coverage today is 14% of a family's income at 400% of poverty.*)
- Expands Medicaid for the most vulnerable, low-income populations and improves payment rates to enhance access to primary care under Medicaid; and
- Caps total out-of-pocket spending in all new policies to prevent bankruptcies from medical expenses.

Public Health Insurance Option:

- Enhances transparency and accountability by creating a new public health insurance option within the Exchange to offer choice and ensure competition;
- The public health insurance option competes on "level field" with private insurers in the Exchange; and
- When individuals "enter" the Exchange, whether on their own or as employees of a business that is purchasing in the Exchange, they are free to choose among available public and private options.

Benefits:

- Independent public/private advisory committee recommends benefit packages based on standards set in statute;
- Guarantees choice and fair, transparent competition by creating various levels of standardized benefits and cost-sharing arrangements, with additional benefits available in higher-cost plans; and
- Phases-in requirements relating to benefit and quality standards for employer plans.

Shared Responsibility:

- Once market reforms and affordability credits are in effect to ensure access and affordability, individuals are responsible for having health insurance with an exception in cases of hardship;
- Employers choose between providing coverage for their workers or contributing funds on behalf of their uncovered workers;
- Government is responsible for ensuring affordability of insurance through new affordability credits, insurance market and delivery system reforms and oversight of insurance companies; and
- Protects small businesses by exempting small low-wage firms and providing a new small business tax credit for firms providing health coverage.

Reforming the Health Care Delivery System and Ensuring Sustainability:

- Uses federal health programs (Medicare, Medicaid and the new public health insurance option) to reward high quality, efficient care, and reduce disparities;
- Adopts innovative payment approaches and promotes better coordinated care in Medicare and the new public option through programs such as accountable care organizations; and
- Attacks the high rate of cost growth to generate savings for reform and fiscal sustainability, including a program in Medicare to reduce preventable hospital readmissions.

Modernizing, Improving and Preserving Medicare:

- Replaces the currently flawed Sustainable Growth Rate (SGR) formula that determines physician pay rates in Medicare;
- Increases reimbursement for primary care providers, improves the Part D program, and implements many other MedPAC recommendations;
- Extends solvency by eliminating overpayments to Medicare Advantage plans, and refining payment rates for certain services;
- Creates new consumer protections for Medicare Advantage beneficiaries;
- Improves low-income subsidy programs to ensure Medicare is truly affordable and accessible for those with lower incomes; and
- Eliminates cost-sharing for all preventive services.