Health Reform Policy Positions of National Organizations, 2007

	Health Coverage Coalition for the Uninsured (HLC, Chamber, AMA, Families USA, etc.)	**America's Health Insurance Plans**	**Federation of American Hospitals**	**Better Health Care Together** (Wal-Mart, SEIU, AFL, etc.)	**Divided We Fail** (AARP, Business Roundtable, SEIU, etc.)	**Coalition to Advance Healthcare Reform** (Safeway, Eli Lilly, Pfizer, McKesson, etc.)	**AdvaMed**	**Draft HLC Proposal As of September 12, 2007**
Overview **(con't next page)**	Public and private coverage is expanding through refundable tax credits, competitive grants and flexibility for states to enroll those eligible for SCHIP and Medicaid. Would allow state experimentation and permit states to cover all adults up to 100% FPL in Medicaid.	AHIP's plan would increase eligibility for public programs, facilitate consumers to purchase health insurance with pre-tax dollars, provide financial aid up to 400% FPL for families so they may afford coverage, and support states to creatively utilize and implement proposals for access.	The Federation's Health Care Passport plan aims to insure 98 percent of Americans, primarily through an expansion of private sector coverage. Everyone in the United States would be required to have coverage either on the job or through direct purchase.	Under the pillars of quality, individual responsibility, improved value and the cooperative effort of businesses, government, and individuals, the group hopes to establish a new American health care system by 2012.	Although no specific plan has been introduced to date, the group extends beyond the common policy ground of the uninsured, tackling economic security and Social Security.	Led by Safeway CEO Steve Burd, the core principles of the group include transparency in cost and quality; basic technologies such as portable electronic medical records and e-prescribing; guaranteed issue with an individual mandate that includes subsidies for low-income workers and a strong disease management component.	The plan advances a modest Medicaid expansion to cover all adults up to 100% FPL and a tax credit proportional to individual income to extend coverage to all uninsured Americans. Also emphasizes importance of competition, public reporting of collected quality measures and incentives for quality	The plan seeks to cover all Americans, primarily through private insurance with public programs as a safety net. It also includes several initiatives to improve quality and affordability, including greater coordinated care, HIT adoption, increasing patient literacy, and restructuring financial incentives and reimbursement.

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Overview (con't)						CAHR recommends equal tax treatment of premiums for employees, employers, and individuals not tied to the workforce.	improvement, and special focus on chronic care conditions. Efficiency, medical innovation, and prevention are touchstones of reform.	
Projected Cost	$45 billion over 5 years for Phase I.	$300 billion over 10 years.	$115.2 billion in 2007.	Not addressed.	Not addressed.	Not addressed.	$69 billion in additional national health spending and $98 billion in additional Federal costs annually (Lewin Group). Using projected savings, yields net savings of $88 billion annually and a net cost of $18 billion.	Not addressed.
# Covered	Phase I "Kids First" – 6 million children.	Not addressed.	41.3 million.	Not addressed.	Not addressed.	Implies all uninsured and "underinsured."	Implies all uninsured.	All uninsured.
'Pay-fors' (con't next page)	Not addressed.	Not addressed.	Not addressed.	Not addressed.	Not addressed.	Fund through existing dollars and through reducing waste, trimming administrative expenses and	Not addressed. Implies that designated funds could be recouped in long term from cost-saving investments.	Not specifically addressed, but broadening the coverage pool and improving quality and efficiency will result in lower

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'Pay-fors' (con't)						addressing end-of- life care expenses.		costs for all. Savings can be used to strengthen the safety net.
Individual Mandate	No.	No. States permitted to require parents to cover dependents or require individuals to provide evidence of enrollment.	Yes, for individuals and dependents (legal residents).	Principle 2: We believe individuals have a responsibility to maintain and protect their health.	Not addressed.	Yes.	Individuals not eligible for public programs are responsible for enrolling in coverage meeting minimum Federal standards. Individuals must accept coverage if offered through employer.	Stresses individual responsibility but cautions that state experiments with mandates should be examined to see if they achieve meaningful universal coverage without excessive and administrative or regulatory burden.
Employer Mandates	No.	No. Allows states to require employers to establish "Sec. 125 plans" and contribute to that coverage.	Employers must annually increase payments per enrollee by at least CPI plus 1.25 percentage points in order to qualify for the Health Coverage Passport subsidy.	Principle 4: We believe that businesses, governments, and individuals all should contribute to managing and financing a new American health care system.	Not addressed.	No, but emphasizes employer responsibility.	No, but employers not providing coverage must make information on other coverage options available to employees and facilitate withholding programs to allow for employee premium contributions.	No.

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Public Program Expansion (e.g., Medicaid, SCHIP)	Phase I. Does not expand eligibility; rather, it expands state flexibility to enroll eligible low-income uninsured children in SCHIP or Medicaid and provides states with additional federal SCHIP funds needed to pay for resulting increase in enrollment of low-income children. Phase II gives states ability to expand Medicaid eligibility to all adults with incomes below FPL. Provides federal funds to states to cover the cost of expanding Medicaid coverage for adults up to 100 percent of FPL.	Increases SCHIP funding to cover those kids in families <200% FPL. Sets aside a portion of this funding to encourage state demonstration projects that improve integration with private coverage. Funding is linked to specific performance standards. All adults under 100% FPL would become eligible for Medicaid.	Medicaid expanded to cover all uninsured adults <100% FPL. Medicaid federal matching increased to cover full cost of increased enrollment. SCHIP funding increased to cover all eligible children (full cost of increased enrollment).	Not addressed.	Not addressed.	Subsidies are provided for low-income individuals, but everyone should pay something.	Expands Medicaid to become available to all adults with incomes below the FPL (~ 7 million people). Allows states currently providing Medicaid coverage beyond 100% FPL to continue to do so. The disabled may supplement standard private insurance plans with Medicaid or alternative coverage to meet their special needs based on ability to pay.	Advocates use of SCHIP/Medicaid dollars to provide premium assistance to help working individuals purchase insurance through their employer. Reinforces importance of maintaining public programs as an insurance safety net and advocates improvements on outreach and removing barriers to enrollment to cover currently-eligible individuals. Does not advocate expansion of eligibility.

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Insurance Tax Credits	Creates new refundable, advanceable, and assignable family tax credit to families with incomes up to 300% FPL for purchase of children's health coverage. For tax credit beneficiaries with access to employer-sponsored coverage, credits would be used to purchase coverage from employer.	Adds new $200 per child/$500 per family "health credit" to existing children's tax credit for families <300% FPL. Creates new Universal Health Account (UHA) as vehicle for pre-tax payment of medical expenses with 50% federal match up to $1,000 for individuals and $2,000 for families for those under 300% FPL and 25% match for those 300-400% FPL.	Health Coverage Passport includes a sliding scale subsidy credit up to 400% FPL for those not eligible for Medicaid or SCHIP. Premiums on private insurance purchased in the individual market					

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Individual Subsidy (con't)		$1,000 for individuals and $2000 for families for those under 300% FPL and 25% match for those 300-400% FPL in new universal health account.	SCHIP. HCPs are issued directly to individuals who use them to purchase employer coverage or a plan in the individual market.					
Insurance Market Reform **(con't next page)**	Creates state demonstration program giving states flexibility to expand health coverage. Competitive grants would be provided over and above federal funds currently provided to states for Medicaid and SCHIP. Provides federal grants to states in order to provide health coverage for high-risk populations. Provides support to public and private safety net	Creates new federal performance grant program providing up to $50 billion over 10 years to assist states in expanding coverage. To qualify, states would submit a 10 year "state access plan" describing strategy to achieve coverage of 100% of kids w/in 3 years and 95 percent of adults in 10 years. To receive a grant, states must have in place a	Insurance plans must meet FEHBP standards or be equivalent to the state workers' health plan or the largest HMO in the state. Plans that qualify for tax deductions must be at least equivalent to 85% of these types of plans. Coverage is guaranteed to everyone regardless of age or health status. Coverage must be community rated and can only vary by benefits	Principle 1: We believe every person in America must have quality "affordable" health insurance coverage.	Principle 1: All Americans should have access to "affordable" health care coverage, including Rx drugs, and these costs should not burden future generations.	Not insurance market reform, but calls for creating cost and quality transparency, coupled with portable electronic records and e-prescribing to improve outcomes and lower costs.	States must provide mechanism to provide information on coverage alternatives to those who must purchase individual insurance and facilitate decision-making process in choosing plans. States must also ensure a choice of plans with minimum required benefits is available.	Advocates redesign of reimbursement system to incentivize coordination of care across disciplines to achieve better outcomes and savings. Also advocates medical liability reform to encourage knowledge sharing and eliminate defensive medicine.

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Insurance Market Reform (con't)	providers. Establishes consumer assistance programs to improve understanding about health coverage options.	mechanism that ensures access to all uninsurable individuals (high risk pool, guaranteed issue, etc).	package, family type and geography. If states do not act, the federal government operates a reformed individual insurance market on the state's behalf.					

FPL = Federal Poverty Level

2007 HHS Poverty Guidelines
100% FPL =
Individual $10,210
Family of 4 $20,650

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