



Health Reform Policy Proposals of Individual States, 2007

	CALIFORNIA	INDIANA	MASSACHUSETTS	PENNSYLVANIA	VERMONT	WISCONSIN
Overview	<p>Creates state-subsidized purchasing pool to offer lower cost insurance. Also includes public program expansions.</p> <p><i>At printing, the legislature had approved a state reform plan Gov. Schwarzenegger has already promised to veto. He will call a special legislative session to attempt to pass a compromise bill.</i></p>	<p>After federal approval, uninsured adults and pregnant women below 200% FPL may pay 2-5% of their income to receive a basic health insurance package and HSA.</p>	<p>Creates health insurance "connector" to certify private insurance and offer reduced price coverage for small businesses and individuals through a state subsidized purchasing pool.</p>	<p>Cover All Pennsylvanians (CAP) seeks to offer reduced-price basic insurance coverage to uninsured PA residents and small businesses in PA through the private market.</p>	<p>Establishes Catamount Health, a new comprehensive and affordable health insurance product available October 1, 2007, for people who are uninsured. Financial assistance with Catamount Health or employer-sponsored insurance is also available for Vermonters with qualifying incomes.</p>	<p>Establishes a statewide insurance pool for all Wisconsin residents and workers not currently covered under a public program or FEHBP.</p>

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Projected Cost	\$12 billion annually	Approx. \$1 billion annually	\$1.7 billion this year alone (has exceeded initial estimate of \$1.2 billion over 3 years)	Not available	\$180 million through 2010. The state will spend \$3 million this year alone to promote its public health insurance programs and an additional \$2.6 million to upgrade the state's enrollment infrastructure.	Not available
# Covered	6.5 million—virtually all of the uninsured	140,000 eligible—represents 25% of uninsured residents. Anticipate enrollment of 50,000 in 1st year.	515,000—virtually all of the uninsured (Thus far: About 170,000 of the uninsured have signed up, including 17,500 for an unsubsidized health insurance plan) leaving still about 200,000 to 300,000 people uninsured. About 60,000 of those have been exempted from the penalty.)	767,000—virtually all of the uninsured adults	25,000 initially with goal of 96% of uninsured residents by 2010 (57,000)	460,000—about 97% of the 476,000 uninsured

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<p>'Pay-fors'</p> <p>(con't next page)</p>	<p>Non-offering employers with more than 10 workers must pay 4% of payroll to state. Provider taxes of 4% of revenue (hospitals) and 2% of revenue (physicians).</p> <p>Estimated financing: \$1 billion from employer fees, \$3.56 billion from provider fees, \$5.5 billion from federal Medicaid/SCHIP match; \$2 billion from counties.</p>	<p>Tobacco taxes will rise \$0.44 per pack.</p>	<p>Partially financed by shifting federal resources from the MA hospital uncompensated care fund. New monies come from the employer "fair share" contributions and the "free rider surcharge."</p>	<p>Businesses that do not provide health insurance will be assessed a percentage of their payroll.</p> <p>Tobacco taxes will increase.</p> <p>Funds will be redirected from the PA uncompensated care fund.</p>	<p>Vermont employers will pay an assessment on "uncovered" employees, based on the following guidelines:</p> <p>Employers without a plan that pays some part of the cost of health insurance of its workers must pay the health care assessment on all their employees. Employers who offer health insurance coverage must pay the assessment on workers who are ineligible to participate in the health care plan, and on workers who refuse the employer's health care coverage and do not have coverage from</p>	<p>Senate-passed budget (with Healthy Wisconsin provisions) includes hospital, cigarette, and oil franchise taxes that were included in Governor Doyle's budget, but also includes a \$15.2 billion dollar payroll tax.</p>

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'Pay-fors' (con't)					<p>another source. The assessment is based on full-time equivalents (FTE) at the rate of \$91.25 per quarter (\$365 per year).</p> <p>The assessment rate will increase annually, indexed to the Catamount Health Plan premium growth. Final rules for the operation of this program became effective in January 2007.</p> <p>Tobacco taxes will rise by \$0.80 per pack.</p>	

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Individual Mandate	Yes	No	Yes. Beginning in 2007, residents must have insurance or lose personal exemption on state income taxes. In future years, noncompliance will be met with financial penalties of up to 50% of the cost of health insurance for noncompliance (implemented through tax code). Insurance mandate depends on the availability of "affordable" insurance.	Yes, phased-in mandate for coverage for individuals making more than 300% FPL. Full-time students at universities and colleges must have insurance as a condition of admission and study.	No. Will be reconsidered in 2010 if 96% coverage is not achieved.	Yes. Employees must pay 2-4% of their Social Security wages. This payment would replace any payments currently made towards private health insurance coverage for employees. Self-employed persons and those with income but no wages pay 10% of income up to the Social Security wage limit.
Employer Mandates (con't next page)	Yes, nonoffering employers with more than 10 workers must pay 4% of payroll to state. Requires employers to establish Section	No. Employers may elect to contribute to the POWER (HSA) Account to offset their employees' required contributions.	Yes. Employers with more than 10 employees are required to provide health insurance coverage (have 25% of their full-time employees enrolled in their plan or pay at least 33% of the	Yes, businesses that do not provide health insurance will be assessed a percentage of their payroll. Participating employers must	Yes. In order for employees to receive premium subsidies for employer-sponsored insurance, employers must offer "comprehensive	All employers must pay 9-12% of wages of their employees (up to the limit of taxable Social Security wages, which is currently \$97,500). This

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Employer Mandates (con't)	125 plans.		cost of an employee's premium). If employers do not provide coverage, penalties are \$295 annually per employee ("fair share" contributions), or a pro-rata share for each part-time/seasonal employee. Employers must also offer a Section 125 plan by January 1, 2007. If employers choose not to offer health insurance, they may also be required to repay the state's free care pool for the cost of employees who utilize the pool to pay for health care expenses that are greater than \$50,000 ("free rider surcharge").	not have offered insurance to employees in the last 180 days; enroll at least 75% of those who work 20 hours or more; pay at least 65% of discounted premium; and establish a program for employees to pay their health insurance costs with pre-tax dollars.	coverage" as defined by VT law. Employers will also pay \$365/year in annual assessment for each FTE who is not offered, eligible for, or refuses employer contributions (i.e., employer-based health plan).	payment would replace any payments currently made towards private health insurance coverage for employees. Unions may bargain, or employers may offer, to pay any part of the employee's charges, as well as provide additional benefits. Self-employed persons and those with income but no wages pay 10% of income up to the Social Security wage limit.

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Public Program Expansion (e.g., Medicaid, SCHIP)	Expanded access to Medi-Cal (<100% FPL) and other public programs. (SCHIP 100-300% FPL) County-based coverage for undocumented adult immigrants up to 250% FPL.	Increases Medicaid eligibility to 300% PFL.	Income eligibility for children is increased under MassHealth (Medicaid) from 200% FPL to 300%. Also removes enrollment caps for adults and expands eligibility to legal aliens.	No	Premiums are reduced in the Vermont Health Access Plan (VHAP), the Medicaid expansion program for adults up to 185% FPL. Premiums are reduced for Dr. Dynasaur, the state's coverage for children up to age 18 in households up to 300% FPL.	No
Insurance Tax Credits	No. Allows individuals to make pre-tax contributions to individual health care insurance through HSAs.	Yes, for employers (\$50/employee up to \$2,500) who offer coverage but previously did not and for employers with a wellness program.	No. Offers premium subsidies on a sliding scale based on income.	No. Offers premium subsidies on a sliding scale based on income.	No. Offers premium subsidies on a sliding scale based on income.	No
Individual Subsidy (con't next page)	Low-income CA residents are offered subsidies for coverage	Yes. After individuals pay 2-5% of their income on a	Yes. Insurance premiums are fully subsidized for individuals with	Any resident can purchase insurance. Those up to	Yes. Premiums for Catamount care or employer-sponsored	No. Plan is driven by contributions from state employers and

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Individual Subsidy (con't)	through a state-administered purchasing pool or for employer-sponsored insurance. Subsidy based on sliding scale for adults 100-250% FPL.	sliding scale, they receive \$500 in preventive care, a \$1,000 health savings account, and up to \$300,000 in annual coverage.	incomes less than 150% FPL. Sliding scale subsidy for individuals with incomes between 150% and 300% of poverty.	300% of FPL will receive a premium subsidy.	insurance are subsidized on a sliding scale for those up to 300% FPL.	employees.
Small Employer Subsidy	No	No	Extends Insurance Partnership Program to include employees with incomes up to 300% FPL. Employers with participating employees will receive a subsidy towards their share of the premium cost. Qualifying small businesses (<50 full-time employees) receive up to \$1,000 per employee annually to provide health insurance coverage.	Employers (with 50 or fewer employees) who choose to participate will have access to discounted insurance premiums (30%). Participating employers will pay \$130 per employee while their employees pay premiums of \$10-\$70 per month depending on family income.	No	No

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Insurance Market Reform (con't)						<p>those that are higher cost and lower quality.</p> <p>If they choose the higher cost network, they must pay, on a monthly basis, the difference in cost between the plans.</p>

FPL = Federal Poverty Level

2007 HHS Poverty Guidelines

100% FPL =

Individual \$10,210

Family of 4 \$20,650

Prepared by the Healthcare Leadership Council and Fitzgerald Consulting
as of September 11, 2007