

Summary of the Affordable Health Choices Act

The Affordable Health Choices Act seeks change in five major areas: affordable options for the uninsured, reducing the cost of care, focus on prevention, modernizing the health care system and making at-home long-term care services more accessible to the elderly and disabled.

(the bill is only in draft so these could change as in the coming weeks)

INSURANCE MARKET REFORMS

- A new government-run insurance plan would be created with payments to hospitals and doctors set at 10 percent above the government's Medicare health insurance program for the elderly and disabled.
- Employers and individuals would be required to obtain health insurance coverage, with subsidies to help those who cannot afford it.
- Insurance companies would be barred from refusing to cover people because of health history.
- Insurers also would be required to cover some preventive services.
- Annual or lifetime limits on coverage would be prohibited.
- Children would be allowed to stay on their parents' insurance plans up to age 26.

INSURANCE GATEWAY OR EXCHANGE

- Grants would be provided to states to create "gateways" to act as a clearinghouse for individuals and small businesses to buy insurance.
- Reinsurance funding would be provided for plans participating in the gateway.
- A Medical Advisory Council to establish a minimum benefit for companies participating in the gateways would be created.

U.S. Health Care Facts:

1. Economists predict that public and private health spending will hit \$2.5 trillion this year, taking up a 17.6 percent share of gross domestic product.
2. According to a CMS report, Americans spend \$7,421 per person on health care, more per capita than any other country. Yet, according to the World Health Organization, America ranks behind many other countries in the quality of care provided.
3. The U.S. Census Bureau says 46 million Americans, or 15 percent of the population, have no health insurance.
4. Health insurance premiums have outpaced workers' earnings and inflation since 2004 by a ratio of 4 to 1, according to the Kaiser Foundation.

- Gateway participants would be encouraged to upgrade their information technology to help reduce duplication of treatments and lower costs.

OTHER COVERAGE PROVISIONS

- A sliding scale of subsidies for the purchase of insurance for people with incomes up to 500 percent of the poverty level would be established.
- Millions of people would become newly eligible for the Medicaid government health insurance program for the poor. People with incomes up to 150 percent of the poverty level would be able to get Medicaid.
- A new Community Living Assistance Support Service for disabled, homebound and institutionalized people would be set up.
- Incentives would be created for employers who automatically enroll workers into offered health plans.

The Kennedy plan took a major blow when the Congressional Budget Office released a preliminary analysis that said the plan would cost \$1 trillion over 10 years and only cover 16 million of the 46 million who are currently uninsured. If you have a calculator large enough to handle trillions, you'll see that's a cost of \$62,500 to cover each uninsured person.

The CBO estimates 39 million people would join a federally-sponsored "gateway" health care plan by 2019, but that 15 million of them would join by leaving their employer-sponsored health plans for the federal program and another 8 million would join by quitting Medicaid and other state-sponsored health insurance plans. In essence, 23 million people already covered would simply swap one form of coverage for the government's "gateway" coverage.

These numbers show that Congress has a lot of work to do, or a lot of money to spend, if they want to cover all of America's 46 million uninsured.