



## Comparison of Status Quo with Elements of President’s and House Republicans’ Health Reform Proposals

	Status Quo <i>(with Utah details)</i>	President’s proposal	House Republican proposal
<b>Covering the uninsured</b>	46 million uninsured and rising every year.	<ul style="list-style-type: none"> <li>-Reduces the number of uninsured by <u>31+ million</u></li> <li>-Creates state based Exchanges, a marketplace of several private insurance options, for people to purchase insurance. Subsidies will be offered for low income and middle class families.</li> </ul>	<p>Reduces the number of uninsured by <u>3 million</u> by...</p> <ul style="list-style-type: none"> <li>-Allowing individuals to purchase insurance in state high-risk pools (15 states do not currently have high-risk pools) at costs that can be 1.5 times the standard rate.</li> <li>-Allows people to use Health Savings Accounts to pay for premiums for high deductible health insurance.</li> </ul>
	<i>364,000 uninsured Utahns and rising every year.</i>		
<b>Pre-existing conditions</b>	In 45 states, insurance companies can deny people coverage or charge them higher rates because they have pre-existing conditions.	<ul style="list-style-type: none"> <li>-Temporary high-risk pool for people denied coverage due to pre-existing conditions</li> <li>-Complete ban against denying coverage or charging higher rates due to pre-existing conditions begins in 2014</li> </ul>	<ul style="list-style-type: none"> <li>-People with pre-existing conditions could access to high risk pools and reinsurance programs</li> <li>-Insurers would continue to be able to deny coverage based on pre-existing conditions</li> <li>- Insurers could not rescind policies unless a person commits fraud or conceals facts.</li> </ul>
	<i>Utah is one of those states. State reforms have yet to tackle this problem.</i>		
<b>Annual and lifetime limits</b>	Insurance companies can set annual and lifetime limits on the benefits they will pay out, bankrupting people who face serious illnesses.	Bars insurance companies from imposing annual or lifetime limits on benefits.	Bars insurance companies from imposing annual or lifetime limits on benefits.
	<i>This practice is still allowed in Utah (read 2 stories about Utahns who reached their <a href="#">annual</a> and <a href="#">lifetime</a> limits).</i>		
<b>Federal subsidies</b>	None available to a broad portion of Americans.	<ul style="list-style-type: none"> <li>-Families earning between 133% – 400% of the Federal Poverty Level (\$24,352-\$73,240 for a family of three) will get subsidies to purchase health insurance. On a sliding</li> </ul>	No subsidies

	<p>Utah has a small subsidy program-- <a href="#">Utah Premium Partnership (UPP)</a>-- designed to help uninsured Utahns enroll in job-based coverage, but it is woefully under-utilized in part because it is not well integrated with Utah's Exchange.</p>	<p>scale they will pay 2% - 9.5% of their income for premiums. This proposal significantly lowers premiums and out-of-pocket costs for low and moderate-income families, compared to the Senate bill.</p>														
<b>Small businesses</b>	<p>Small businesses pay higher rates for health insurance than larger companies.</p>	<p>-\$40 Billion in tax credits beginning in 2010 to help small businesses pay the cost of premiums for their employees -Businesses with less than 50 workers are exempt from any employer responsibility policies.</p>	<p>-Gives some small businesses the ability to pool together to purchase coverage which may allow companies with healthier employees to obtain lower rates.</p>													
	<table border="1"> <thead> <tr> <th colspan="4"># of Employers Offering Insurance</th> </tr> <tr> <th></th> <th>2001</th> <th>2005</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>US</td> <td>3,582,469</td> <td>3,552,243</td> <td>-0.8%</td> </tr> <tr> <td>UT</td> <td>25,321</td> <td>23,093</td> <td>-8.8%</td> </tr> </tbody> </table>			# of Employers Offering Insurance					2001	2005	%	US	3,582,469	3,552,243	-0.8%	UT
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<b>Regulating Insurance Companies</b>	<p>Some insurance companies currently skim off 40% of premiums for administration, marketing and profit. And insurers have a lot of leeway to charge higher rates based on health, gender, age and other factors</p>	<p>-Immediately requires that insurers devote at least 80% of their premiums to medical benefits, and provide rebates to consumers if an insurer spends less than this level. -Creates a new federal authority to review premium increases.</p>	<p>-Greater deregulation allows insurance companies to sell policies across state-lines</p>													
	<p>In Utah, the combined market share of the top insurers is 68%. Insurers can rate premiums based on health, gender and age.</p>															
<b>Preventative Care</b>	<p>Co-pays, co-insurance and deductibles apply.</p>	<p>-No out-of-pocket costs for preventative care, such as cancer screenings and wellness check ups, for people with insurance. -Gives employers some latitude to charge employees higher or lower premiums based on health status or behavior.</p>	<p>-Gives employers more latitude to charge employees higher or lower premiums based on health status and behavior.</p>													
<b>Limits on out of pocket costs</b>	<p>Currently insurance companies are not required to cap out-of-pocket costs for individuals and families, which leads to many bankruptcies.</p>	<p>Annual limit of \$5,800 on out-of-pocket costs for an individual and \$11,600 for a family, lower limits for lower income families.</p>	<p>None</p>													
	<p>Utah does not have any out-of-pocket cost caps for private insurance, leaving families at risk of bankruptcy</p>															

<b>Dependent coverage</b>	State laws vary, but most do not require insurers to provide dependent coverage up to any age.	Immediately extend dependent coverage in all insurance plans up to age 26	Encourages dependent coverage on insurance plans through age 25.
	<i>Utah is unique in requiring dependent coverage to age 26</i>		
<b>Seniors</b>	Currently, Medicare annual drug coverage stops at \$2,700, then resumes when drug bills reach \$4,350. This referred to as the “donut hole”.	<ul style="list-style-type: none"> <li>- No losses in existing coverage.</li> <li>- Reduces prescription drug costs by eliminating the Medicare “donut hole”</li> <li>- Preventative care, such as cancer screenings, are free</li> <li>- Eliminates overpayments that private insurers receive through Medicare Advantage</li> <li>- Restructures payments to health care providers to encourage greater quality</li> <li>-Extends the life of the Medicare Trust Fund by 5 yrs</li> </ul>	-Leaves in place the Medicare prescription drug coverage “donut hole”
<b>Medicaid</b>	<ul style="list-style-type: none"> <li>-In most states, only very poor adults w/ children qualify for Medicaid.</li> <li>-Each state decides the income eligibility level - the median income cutoff for parents is 41% of the Federal Poverty Level, or \$7,500 for a family of 3.</li> <li>-45 states provide no Medicaid coverage to childless adults</li> </ul>	<ul style="list-style-type: none"> <li>-Access to Medicaid for individuals and families earning up to 133% of the Federal Poverty Level (\$24,352 for a family of three or \$14,404 for an individual)</li> <li>- Federal support to states for Medicaid expansion: federal support to cover 100% cost of expansion for 2014-2017, 95% of cost for 2018-2019 and 90% for 2020 and subsequent years.</li> <li>-Eliminates special treatment for the State of Nebraska</li> </ul>	-No expansion
	<ul style="list-style-type: none"> <li>-In Utah, only the poorest parents qualify for Medicaid: cut-off is 50% FPL</li> <li>-No Medicaid coverage is offered to childless adults</li> <li>-124,000 of &gt; 200,000 enrollees are kids</li> </ul>		
<b>CHIP</b>	Nearly 8 million children are covered through the CHIP program.	Preserves CHIP through September 30, 2019 with full funding extended through fiscal year 2016.	
	<i>Over 40,000 Utah children are enrolled in CHIP. Many of our uninsured kids would qualify for Medicaid or CHIP were they to apply.</i>		
<b>Federal deficit</b>	Rising health costs are driving up the deficit	<u>Reduces</u> the federal deficit by \$100 billion over ten years and about \$1 trillion over the second decade.	Reduces the federal deficit by <u>68 billion</u> over the next ten years.

<p><b>Other note worthy elements</b></p>		<ul style="list-style-type: none"> <li>-Incorporates several bi-partisan ideas to address fraud and waste within Medicaid and Medicare.</li> <li>-Invests \$11 billion dollars into Community Health Centers.</li> <li>-Prevents delays in access to generic drugs</li> </ul>	<ul style="list-style-type: none"> <li>-Medical liability reform designed to reduce defensive medicine</li> <li>-Incentives for state initiatives to lower premiums and reduce the number of uninsured.</li> </ul>
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**Please consult the proposals themselves for more detailed information:**

President's Health Reform Proposal: <http://www.whitehouse.gov/health-care-meeting/proposal>  
House Republican Health Reform Proposal: <http://www.gop.gov/solutions/healthcare>  
Kaiser Family Foundation added his proposal to their [side-by-side comparison](http://www.kff.org/healthreform/sidebyside.cfm) of the House and Senate bills:  
<http://www.kff.org/healthreform/sidebyside.cfm>  
Why Utah Needs Health Reform By the Numbers:  
[http://images2.americanprogress.org/CAP/2009/11/factsheets/ut\\_by\\_the\\_numbers.pdf](http://images2.americanprogress.org/CAP/2009/11/factsheets/ut_by_the_numbers.pdf)