

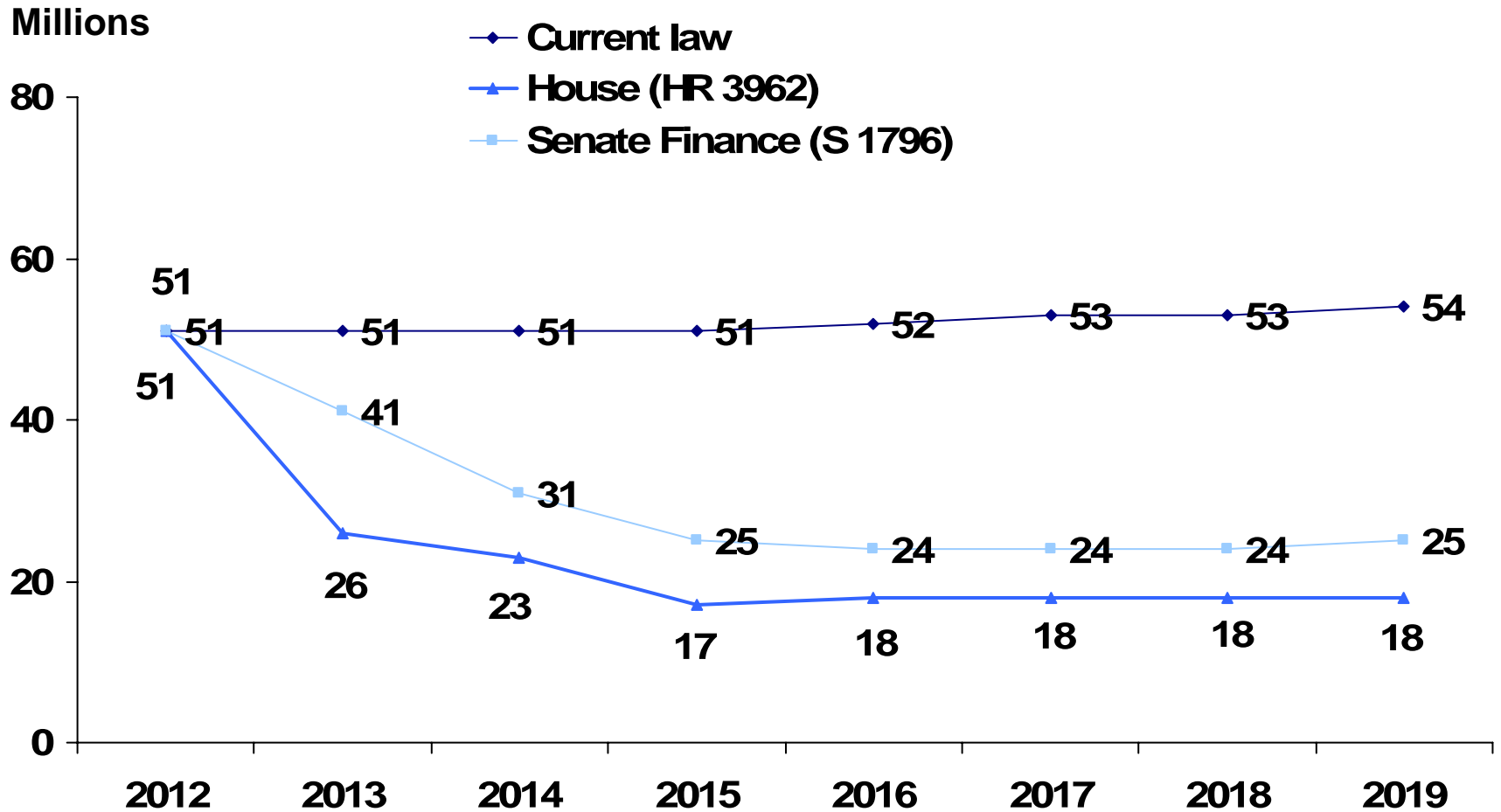
# Figure 1. Insurance Reform Proposals as of October 2009

	Senate Finance Committee 10/13/09 (as amended)	Senate HELP Committee 7/15/09 (as amended)	House of Representatives 10/29/09
<b>Insurance market regulations</b>	GI, adjusted CR 4:1; 5-yr phase-in for small group; report medical loss ratio; uninsured eligible for high-risk pools until 2013	GI, adjusted CR 2:1; meet medical loss standards	GI, adjusted CR 2:1; meet 85% medical loss ratio; uninsured immediately eligible for high-risk pools
<b>Individual mandate</b>	Penalty: \$750/year per adult in household phased in at \$200 in 2014, \$400 in 2015, \$600 in 2016, \$750 in 2017; exempts premiums >8% of income	Penalty: \$750/year per person (exemptions if unaffordable)	Penalty: 2.5% of the difference between MAGI and the tax filing threshold up to the average national premium of the “basic” benefit package
<b>Exchange</b>	State or regional	State or regional	National or state
<b>Plans offered</b>	Private and co-op	Private and public	Private, public, and co-op
<b>Eligibility for exchange</b>	Individuals and small businesses 50–100, 100 by 2015, 100+ at state option	Individuals and small businesses < 50	Individuals and small businesses <25 in 2013; <50 by 2014; <100 by 2015; 100+ after 2015
<b>Minimum benefit standard, tiers</b>	Essential health benefits 65%–90% actuarial value, Four tiers plus young adults policy	Essential health benefits 76%–93% actuarial value, three tiers	Essential health benefits 70%–95% actuarial value, four tiers
<b>Premium/cost-sharing assistance</b>	Sliding scale 2%–12% of income up to 300% FPL/ flat cap at 12% for 300%–400% FPL; cost-sharing credits for 100%–200%FPL	Sliding scale 1%–12.5% of income up to 400% FPL	Sliding scale 1.5%–12% of income up to 400% FPL; cost-sharing credits 133%–350% FPL
<b>Medicaid/CHIP expansion</b>	Up to 133% FPL	Up to 150% FPL	Up to 150% FPL
<b>Shared responsibility/ Employer pay-or-play</b>	Firms >50 FTEs pay uncovered worker fee Small-employer tax credit including nonprofit firms	Play or pay; firms >25 workers 60%+ premium contribution; penalty \$750/yr per uncovered FTE, \$375/yr per uncovered PTE Small-employer subsidy; young adults can stay on parent’s health plan to age 26	Play or pay; firms >\$500,000 payroll 72.5% + prem. contribution for indiv./ 65% + for families; sliding scale phased-in from 2% to 8% of payroll at \$750,000; small-employer tax credit; Young adults can stay on parent’s health plan to age 27

Note: GI = guaranteed issue; CR = community rating.

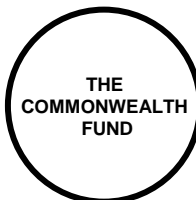
Source: Commonwealth Fund analysis of proposals.

# Figure 2. Trend in the Number of Uninsured, 2012–2019 Under Current Law and Senate Finance and House Bills



Note: The uninsured includes unauthorized immigrants. With unauthorized immigrants excluded from the calculation, nearly 94% and 96% of legal nonelderly residents are projected to have insurance under the Senate Finance and House proposal, respectively.

Data: Estimates by The Congressional Budget Office.



# Figure 3. System Improvement Provisions of National Health Reform Proposals, 2009

	Senate Finance Committee 10/13/09 (as amended)	Senate HELP Committee 7/15/09 (as amended)	House of Representatives 10/29/09
<b>Exchange standards and plans</b>	State or regional exchanges; private and co-op plans offered; essential health benefits 65%–90% actuarial value, four tiers plus young adults policy; insurers must report percent of premium spent on items other than medical care	State exchanges (can band together to form regional); private and public plans offered; essential health benefits 76%–93% actuarial value, three tiers; insurers must meet specified medical loss ratio	National or state exchanges; private, public or co-op plans offered; essential health benefits 70%–95% actuarial value, four tiers; insurers must meet specified medical loss ratio
<b>Primary care</b>	10% bonus payments for 5 years; cut all other payments by 0.5%		Increase Medicare payments for PCPs by 5%; bring Medicaid PCPs up to Medicare level
<b>Prevention and wellness</b>	Provide annual wellness visit and/or health risk assessment for Medicare beneficiaries; strengthen state and employer wellness programs; remove cost-sharing for proven preventive services	Develop a national prevention and wellness strategy; remove cost-sharing for proven preventive services; invest in preventive programs; grants to wellness incentive programs; grants to support community prevention programs	Develop a national prevention and wellness strategy; establish a Prevention and Wellness Trust Fund; remove cost-sharing for proven preventive services; grants to support employer wellness programs
<b>Innovative payment pilots: medical homes, accountable care organizations, bundled hospital and post-acute care</b>	Allow Medicaid beneficiaries to designate medical home; ACOs to share savings in Medicare; Innovations Center	Grants to support medical home model	Adopt medical homes, ACOs, and bundled payments on large scale if pilot programs prove successful; Center for Payment Innovation
<b>Productivity improvements</b>	Modify market basket updates to account for productivity improvements		Modify market basket updates to account for productivity improvements
<b>Comparative effectiveness</b>	Create Patient-Centered Outcomes Research Institute	Create Center for Health Outcomes Research and Evaluation with AHRQ	Establish Center for Comparative Effectiveness Research within AHRQ
<b>Quality improvement</b>	Direct HHS to develop national quality strategy	Direct HHS to develop national quality strategy; provide grants for improving health system efficiency	Establish the Center for Quality Improvement to identify, develop, evaluate, disseminate, and implement best practices; develop national priorities for performance improvement and quality measures

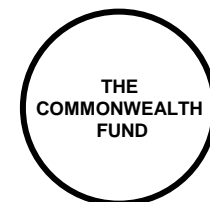
Source: Commonwealth Fund analysis of health reform proposals.

# Figure 4. House and Senate Payment and System Reform Savings, 2010–2019

Dollars in billions

	CBO estimate of Senate Finance Committee Bill	CBO estimate of H.R. 3962
<b>Total Savings from Payment and System Reforms</b>	<b>-\$404</b>	<b>-\$426</b>
• Productivity improvement/provider payment updates	-151	-176
• Medicare Advantage reform	-130	-170
• Primary care, geographic adjustment	4	-6
• Payment innovations	-10	-2
• Hospital readmissions	-2	-9
• Disproportionate share hospital adjustment	-45	-20
• Prescription drugs	1	-75
• Home health	-33	-58
• Independent Commission	-22	—
• Other improvements and interactions	-16	90

Source: The Congressional Budget Office Preliminary Analysis of the Senate Finance Chairman's Mark of the America's Healthy Future Act, as Amended, Oct. 7, 2009, <http://www.cbo.gov/doc.cfm?index=10642>. The Congressional Budget Office Analysis of H.R. 3962, The Affordable Health Care for America Act, Oct. 29, 2009, <http://www.cbo.gov/ftpdocs/106xx/doc10688/hr3962Rangel.pdf>.



# Figure 5. Major Sources of Savings and Revenues Compared with Projected Spending, Net Cumulative Effect on Federal Deficit, 2010–2019

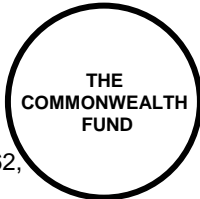
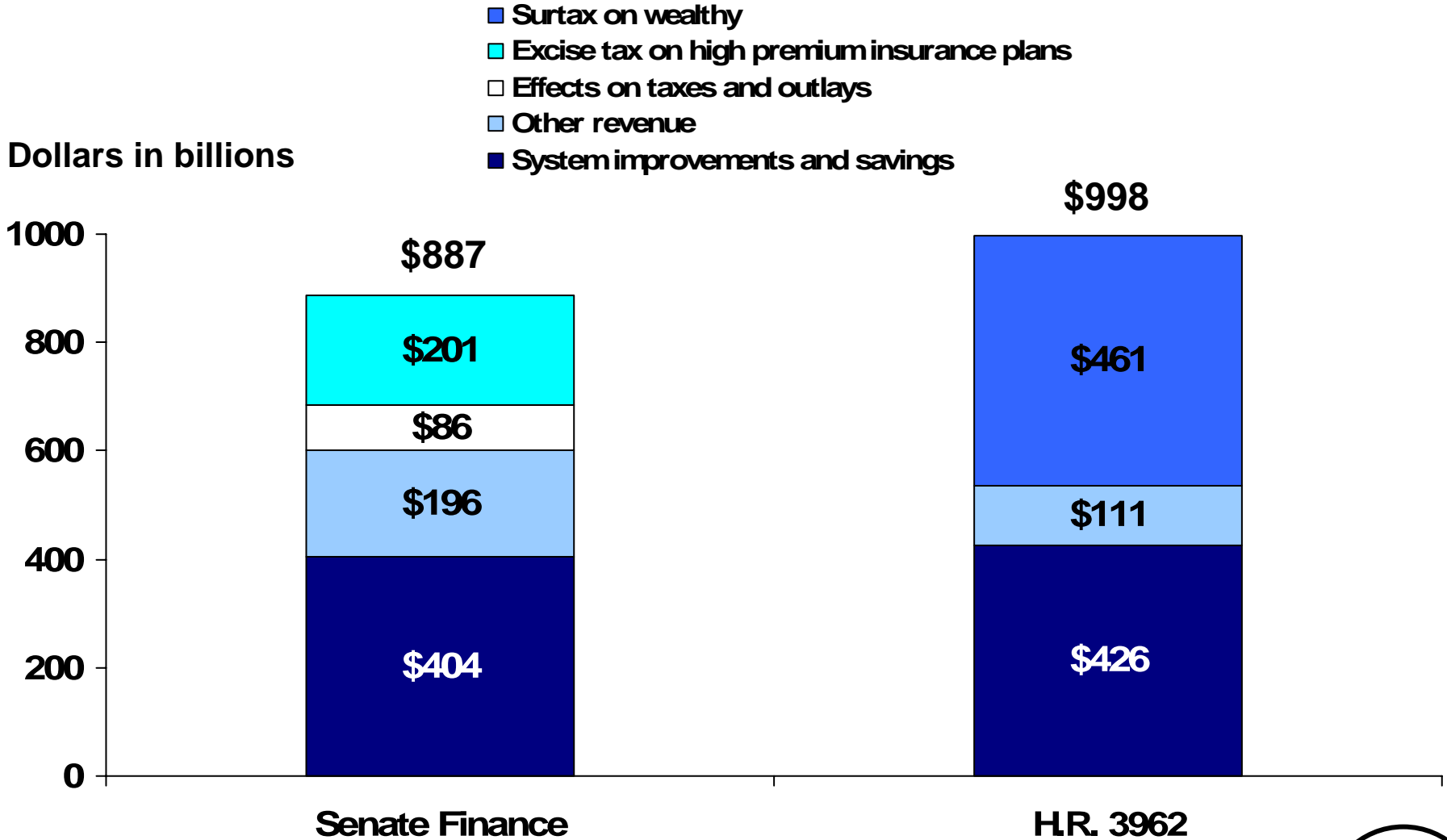
Dollars in billions

	CBO estimate of Senate Finance Committee Bill	CBO estimate of H.R. 3962
<b>Total Net Impact on Federal Deficit, 2010-2019</b>	<b>-\$81</b>	<b>-\$104</b>
<b><i>Total Federal Cost of Coverage Expansion and Improvement</i></b>	<b>\$719</b>	<b>\$894</b>
• Medicaid/CHIP outlays	345	425
• Exchange subsidies	461	605
• Small employer subsidies	23	25
• Payments by uninsured individuals	-4	-33
• Play-or-pay payments by employers	-23	-135
• Associated effects on taxes and outlays	-83	6
<b><i>Total Savings from Payment and System Reforms</i></b>	<b>-\$404</b>	<b>-\$426</b>
• Productivity updates/provider payment changes	-151	-176
• Other improvements and savings	-253	-250
<b><i>Total Revenues</i></b>	<b>-\$397</b>	<b>-\$572</b>
• Excise tax on high premium insurance plans	-201	—
• Surtax on wealthy individuals and families	—	-461
• Other revenues	-196	-111

Source: The Congressional Budget Office Preliminary Analysis of the Senate Finance Chairman's Mark of the America's Healthy Future Act, as Amended, Oct. 7, 2009, <http://www.cbo.gov/doc.cfm?index=10642>. The Congressional Budget Office Analysis of H.R. 3962, The Affordable Health Care for America Act, Oct. 29, 2009, <http://www.cbo.gov/ftpdocs/106xx/doc10688/hr3962Rangel.pdf>.

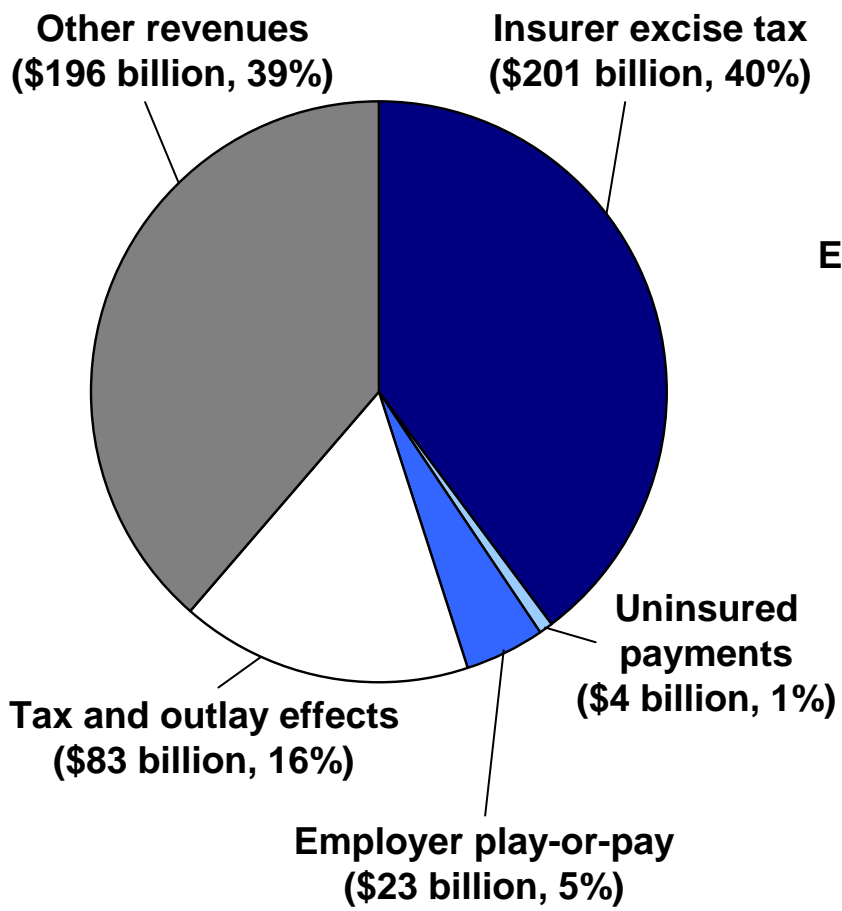


# Figure 6. Proportions of System Savings and New Revenue in H.R. 3962 and Senate Finance Committee Bill as Reported

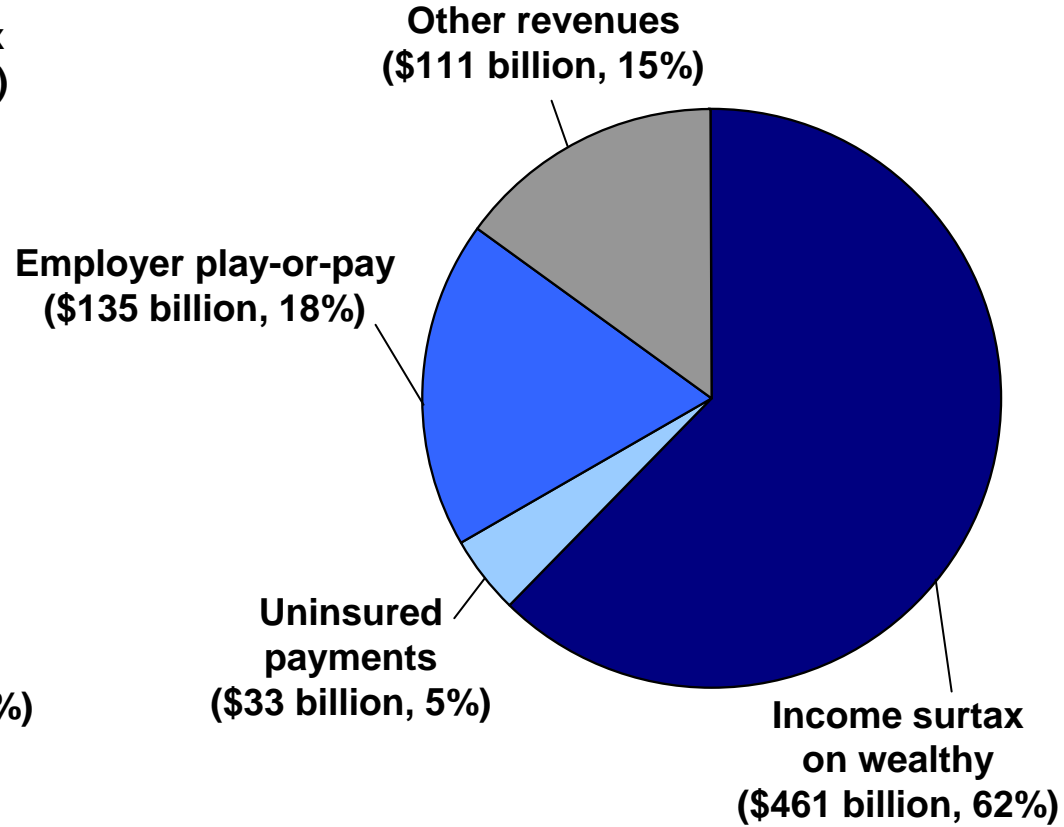


Source: The Congressional Budget Office Preliminary Analysis of Specifications for the Senate Finance Chairman's Mark of the America's Healthy Future Act, Oct. 7, 2009, <http://www.cbo.gov/doc.cfm?index=10642>, and The Joint Committee on Taxation Estimated Revenue Effects of the Revenue Provisions in the Chairman's Mark, as Modified, Sept. 22, 2009, <http://jct.gov/publications.html?func=startdown&id=3581>. The Congressional Budget Office Analysis of H.R. 3962, The Affordable Health Care for America Act, Oct. 29, 2009, <http://www.cbo.gov/ftpdocs/106xx/doc10688/hr3962Rangel.pdf>.

# Figure 7. Sources of New Revenue in H.R. 3962 and Senate Finance Committee Bill as Reported



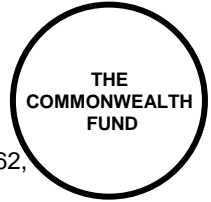
## Senate Finance



## H.R. 3962

Note: Percentages may not sum to 100% due to rounding.

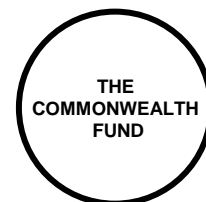
Source: The Congressional Budget Office Preliminary Analysis of Specifications for the Senate Finance Chairman's Mark of the America's Healthy Future Act, Oct. 7, 2009, <http://www.cbo.gov/doc.cfm?index=10642>, and The Joint Committee on Taxation Estimated Revenue Effects of the Revenue Provisions in the Chairman's Mark, as Modified, Sept. 22, 2009, <http://jct.gov/publications.html?func=startdown&id=3581>. The Congressional Budget Office Analysis of H.R. 3962, The Affordable Health Care for America Act, Oct. 29, 2009, <http://www.cbo.gov/ftpdocs/106xx/doc10688/hr3962Rangel.pdf>.



## Figure 8. Proposals' Impact on Insurance Coverage and Costs, 2019

	Senate Finance Committee 10/13/09	House of Representatives 10/29/09
Formerly uninsured now covered, 2019	29 million	36 million
Additionally covered by Medicaid/CHIP, 2019	11 million	15 million
Covered in exchange, 2019	25 million	30 million
Net cost of coverage expansion, 2010–2019	\$719 billion	\$894 billion
Net impact on federal deficit, 2010–2019	–\$81 billion	–\$104 billion

Source: The Congressional Budget Office Preliminary Analysis of Specifications for the Senate Finance Chairman's Mark of the America's Healthy Future Act, Oct. 7, 2009, <http://www.cbo.gov/doc.cfm?index=10642>.  
The Congressional Budget Office Preliminary Analysis of H.R. 3962, The Affordable Health Care for America Act, Oct. 29, 2009, <http://www.cbo.gov/ftpdocs/106xx/doc10688/hr3962Rangel.pdf>.



# Figure 9. Major Areas of Similarities and Differences Between Bills

Similarities between bills	Differences between bills
<ul style="list-style-type: none"> <li>❖ Individual mandate</li> <li>❖ Insurance exchange</li> <li>❖ Premium and cost-sharing subsidies</li> <li>❖ Insurance market regulations</li> <li>❖ Essential standard benefit package standard</li> <li>❖ Medicaid / CHIP expansion</li> <li>❖ Pilot programs for rapid cycle testing of innovative payment methods</li> <li>❖ Creating a national quality improvement strategy</li> <li>❖ Improving primary care reimbursement</li> <li>❖ Center for Comparative Effectiveness Research</li> <li>❖ Create and expand wellness and prevention programs</li> </ul>	<ul style="list-style-type: none"> <li>❖ Choice of public plan in exchange</li> <li>❖ Employer shared responsibility</li> <li>❖ Medicare Commission to extend Medicare solvency, slow Medicare cost growth and increase quality of care</li> <li>❖ Sources of revenue: surcharges on higher income vs. excise tax on high cost health plans</li> </ul>

