Figure 1. Insurance Reform Proposals as of December 2009

	Senate (H.R. 3590) 12/24/09	House of Representatives (H.R. 3962) 11/7/09
Insurance market regulations	GI, adjusted CR 3:1; in 2011: meet 80 or 85% medical loss ratio depending on group size; in 2010 uninsured eligible for high risk pools; no lifetime limits or rescissions, prohibitions on annual limits, dependent coverage to 26	GI, adjusted CR 2:1; in 2010: meet 85% medical loss ratio; uninsured eligible for high-risk pools, no annual or lifetime limits or rescissions, dependent coverage to 27
Individual mandate	Penalty: Greater of $750/year per adult in household or 2% of income in 2016 up to a cap of national average bronze plan premium, phased in at $95 in 2014, $350 in 2015; exempts premiums >8% of income	Penalty: 2.5% of the difference between MAGI and the tax filing threshold up to the average national premium of the "basic" benefit package
Exchange	Regional, state, or substate	National or state
Plans offered	Private, co-op, multi-state plans with at least one non-profit plan offered under contract with OPM	Private, public, and co-op
Eligibility for exchange	Individuals and small businesses 50–100, 100 by 2015, 100+ at state option	Individuals and small businesses <25 in 2013; <50 by 2014; <100 by 2015: 100+ after 2015
Minimum benefit standard, tiers	Essential health benefits 60%–90% actuarial value, Four tiers; catastrophic policy for young adults <30 and those exempt from individual mandate	Essential health benefits 70%–95% actuarial value, four tiers
Premium/cost-sharing assistance	Sliding scale 2%–9.8% of income up to 300% FPL/ flat cap at 9.8% 300%–400% FPL; cost-sharing subsidies for 100%–200% FPL	Sliding scale 1.5%–12% of income up to 400% FPL; cost-sharing credits 133%–350% FPL
Medicaid/CHIP expansion	Up to 133% FPL	Up to 150% FPL
Shared responsibility/ Employer pay-or-play	Firms >50 FTEs pay uncovered worker fee of $750; small employer tax credit; 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.

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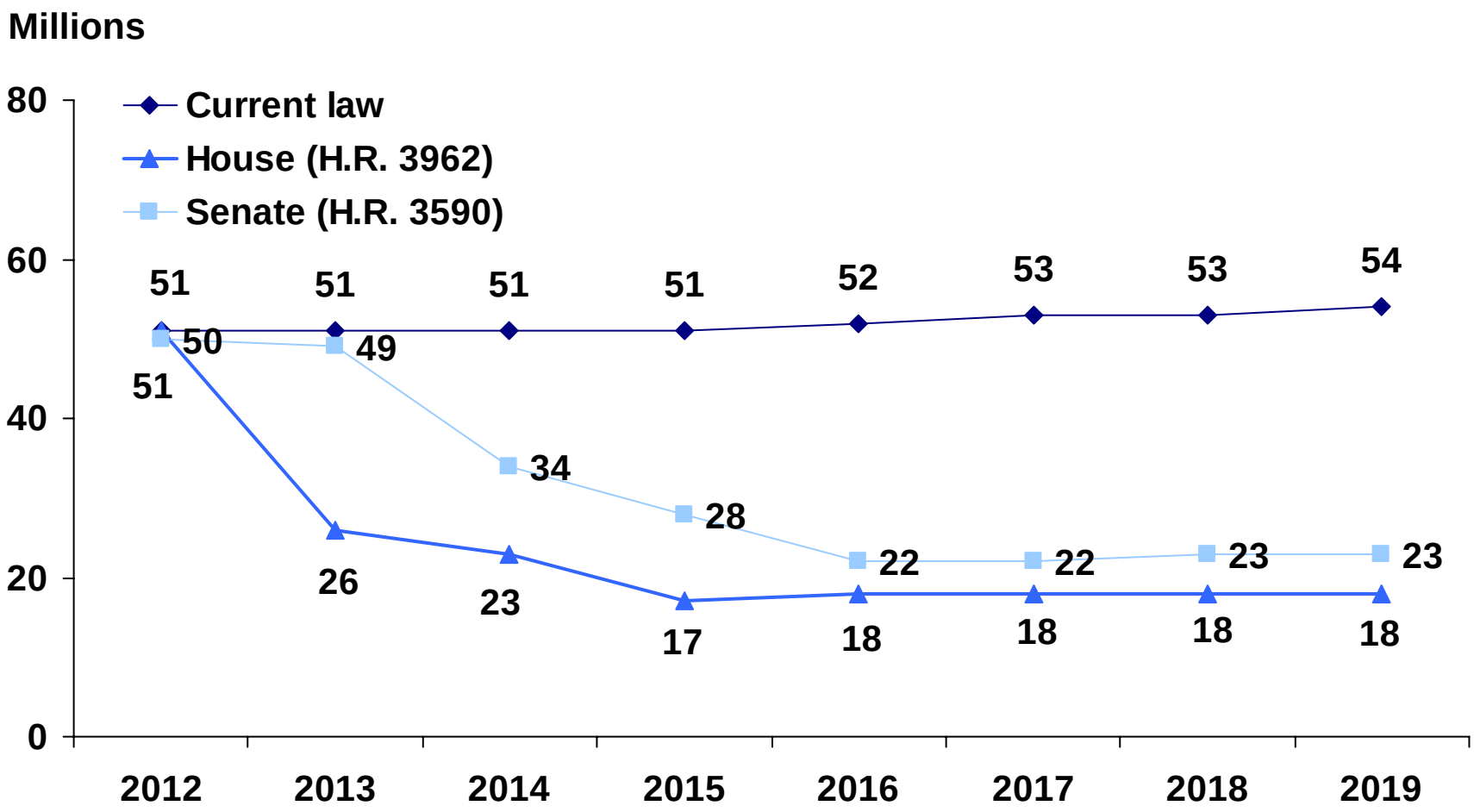
Figure 2. Trend in the Number of Uninsured Nonelderly, 2012–2019 Under Current Law and Senate and House Bills



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 and House proposals, respectively.
Data: Estimates by The Congressional Budget Office.

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

	Senate (H.R. 3590) 12/24/09	House of Representatives (H.R. 3962) 11/7/09
Exchange standards and plans	State, substate, or regional exchanges; private and co-op plans offered, multi-state plans offered under contract with federal OPM; essential health benefits 60%–90% actuarial value, four tiers plus catastrophic policy; insurers must meet medical loss ratio in 2011	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
Primary care	10% Medicare bonus payments for PCPs and general surgeons practicing in shortage areas for 5 years	Increase Medicare payments for PCPs by 5%; bring Medicaid PCPs up to Medicare level
Prevention and wellness	Provide annual wellness visit including health risk assessment for Medicare beneficiaries; Create a National Prevention, Health Promotion and Public Health Council to establish a national prevention and health promotion strategy; establish a Prevention and Public Health Investment Fund; remove cost-sharing for proven preventive services, grants to support employer wellness 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
Innovative payment pilots: medical homes, accountable care organizations, bundled hospital and post-acute care	Allow Medicaid beneficiaries to designate medical home; ACOs to share savings in Medicare; Adopt medical homes, ACOs, and bundled payments on large scale if pilot programs prove successful; Center for Medicare and Medicaid Innovation	Adopt medical homes, ACOs, and bundled payments on large scale if pilot programs prove successful; Center for Medicare and Medicaid Innovation
Productivity improvements	Modify market-basket updates to account for productivity improvements	Modify market basket updates to account for productivity improvements
Comparative effectiveness	Create Patient-Centered Outcomes Research Institute	Establish Center for Comparative Effectiveness Research within AHRQ
Quality improvement	Direct HHS to develop national quality strategy, public reporting; establish an interagency working group to coordinate federal activities	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. Senate and House Payment and System Reform Savings, 2010–2019

Dollars in billions

	CBO estimate of Senate bill (H.R. 3590)	CBO estimate of House bill (H.R. 3962)
Total Savings from Payment and System Reforms	**–$483**	**–$456**
• Productivity improvement/provider payment updates	–151	–177
• Medicare Advantage reform	–136	–170
• Primary care, geographic adjustment	6	–6
• Payment innovations	–8	–2
• Hospital readmissions	–7	–9
• Disproportionate share hospital adjustment	–43	–20
• Prescription drugs	6	–75
• Home health	–39	–55
• Independent Payment Advisory Board	–28	—
• Other improvements and interactions	–83	58

Source: The Congressional Budget Office Cost Estimate of the Patient Protection and Affordable Care Act, Dec. 19, 2009, http://www.cbo.gov/doc.cfm?index=10868. The Congressional Budget Office Analysis of H.R. 3962, The Affordable Health Care for America Act, Nov. 20, 2009, http://www.cbo.gov/doc.cfm?index=10741.

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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 bill (H.R. 3590)	CBO estimate of House bill (H.R. 3962)
Total Net Impact on Federal Deficit, 2010–2019	**–$132**	**–$138**
Total Federal Cost of Coverage Expansion and Improvement	**$763**	**$891**
Gross Cost of Coverage Provisions	***$871***	***$1,052***
• Medicaid/CHIP outlays	395	425
• Exchange subsidies	436	602
• Small employer subsidies	40	25
Offsetting Revenues and Wage Effects	***–$108***	***–$162***
• Payments by uninsured individuals	–15	–33
• Play-or-pay payments by employers	–28	–135
• Associated effects on taxes and outlays	–65	6
Total Savings from Payment and System Reforms	**–$483**	**–$456**
• Productivity updates/provider payment changes	–151	–177
• Medicare Advantage reform	–136	–170
• Other improvements and savings	–196	–109
Total Revenues	**–$413**	**–$574**
• Excise tax on high premium insurance plans	–149	—
• Surtax on wealthy individuals and families	—	–461
• Other revenues	–264	–113

Note: Totals do not reflect net impact on deficit because of rounding.
Source: The Congressional Budget Office Cost Estimate of the Patient Protection and Affordable Care Act, Dec. 19, 2009, http://www.cbo.gov/doc.cfm?index=10868. The Congressional Budget Office Analysis of H.R. 3962, The Affordable Health Care for America Act, Nov. 20, 2009, http://www.cbo.gov/doc.cfm?index=10741.

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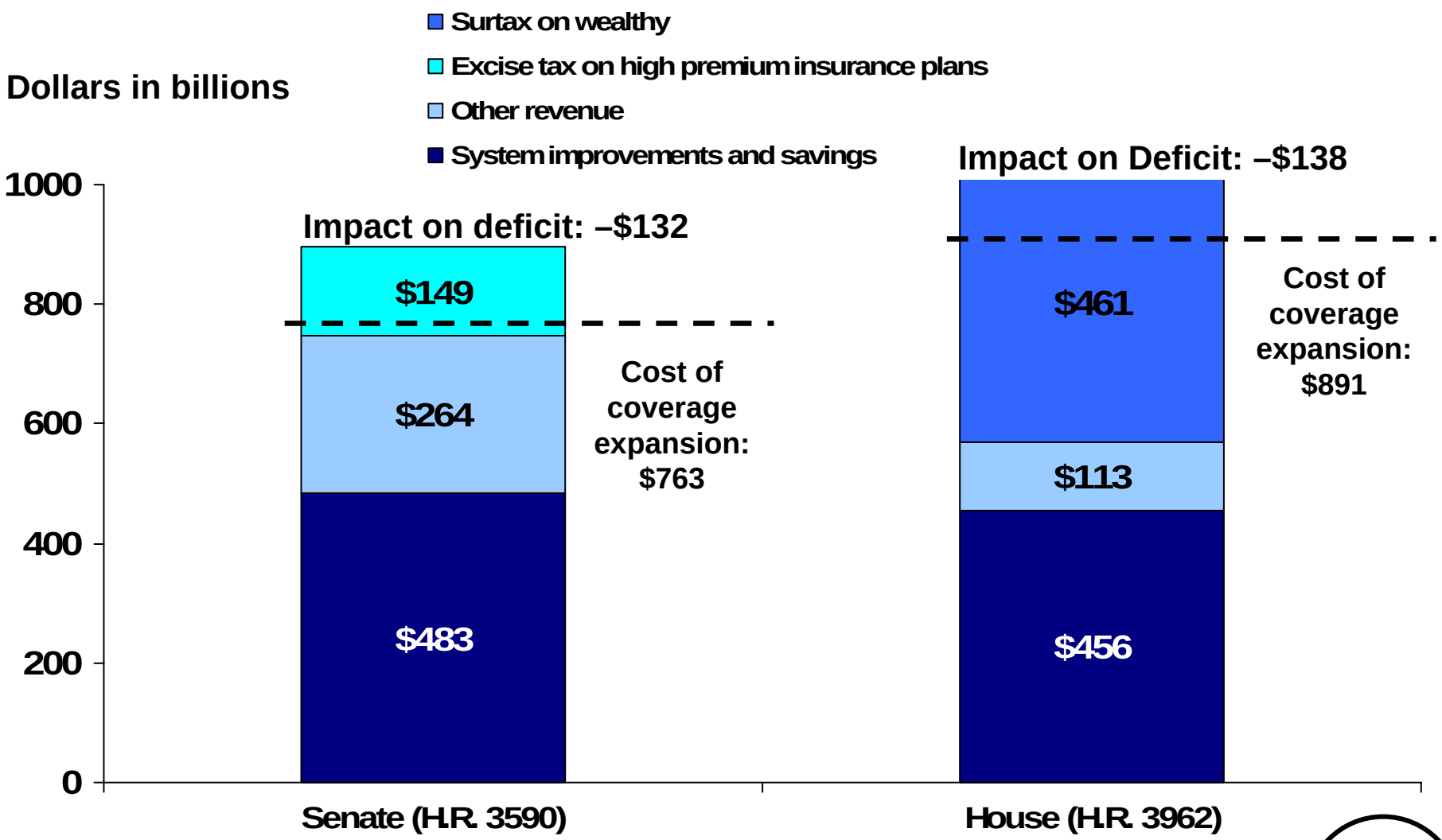
Figure 6. Proportions of System Savings and New Revenue in Senate and House Bills



Note: Totals do not reflect net impact on deficit because of rounding.
Source: The Congressional Budget Office Cost Estimate of the Patient Protection and Affordable Care Act, Dec. 19, 2009, http://www.cbo.gov/doc.cfm?index=10868, and The Joint Committee on Taxation Estimated Revenue Effects of the Revenue Provisions in the "Patient Protection and Affordable Care Act", December 19, 2009, JCX-61-09. The Congressional Budget Office Analysis of H.R. 3962, The Affordable Health Care for America Act, As Passed by the House of Representatives, November 20, 2009, http://www.cbo.gov/doc.cfm?index=10741.

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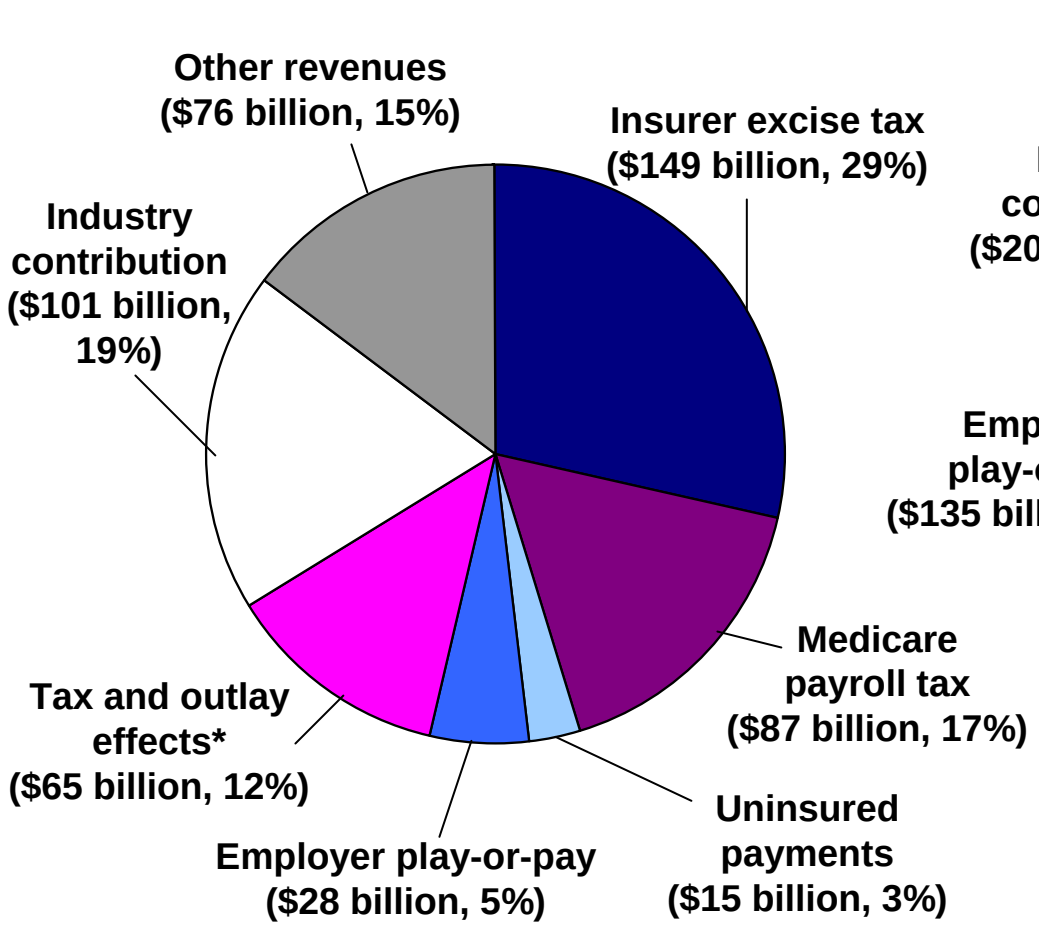
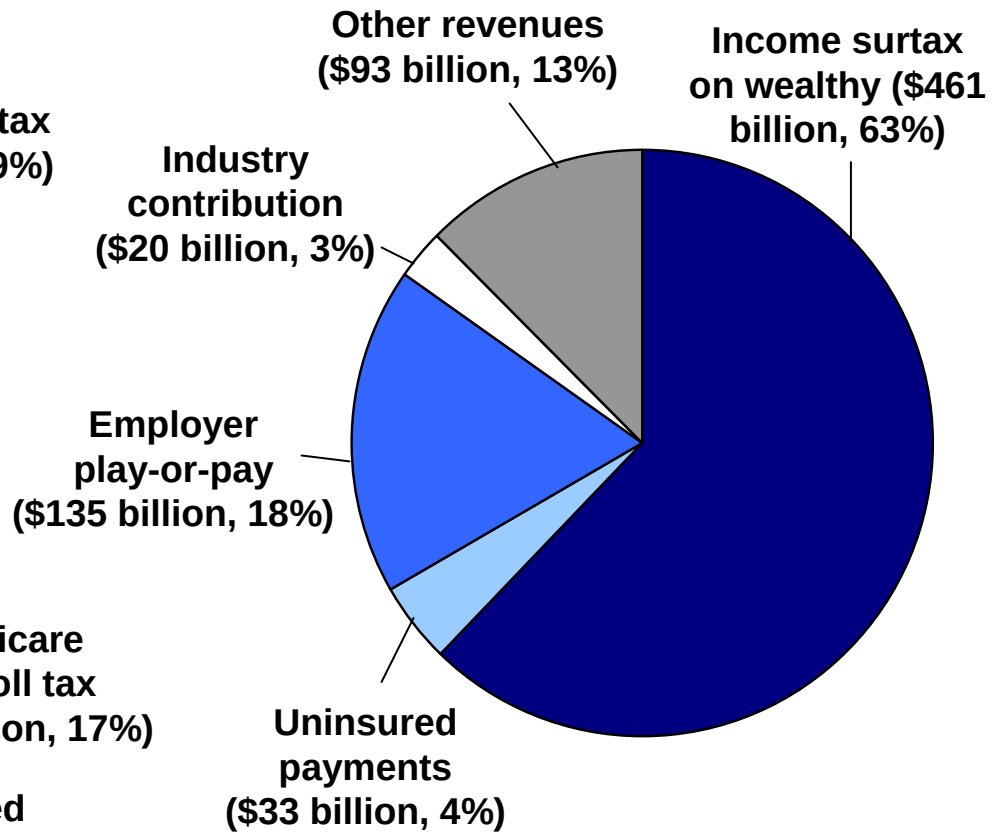
Figure 7. Sources of New Revenue in Senate and House Bills



Senate (H.R. 3590)



House (H.R. 3962)

Note: Numbers may not sum to 100% due to rounding. In addition, taxes and outlay effects are excluded from the sources of revenue for H.R. 3962 because taxes and outlay effects are estimated to result in an additional $6 billion in federal spending over the 2010-2019 period.
Source: The Congressional Budget Office Cost Estimate of the Patient Protection and Affordable Care Act, Dec. 19, 2009, http://www.cbo.gov/doc.cfm?index=10868, and The Joint Committee on Taxation Estimated Revenue Effects of the Revenue Provisions in the "Patient Protection and Affordable Care Act", Dec. 19, 2009, JCX-61-09. The Congressional Budget Office Analysis of H.R. 3962, The Affordable Health Care for America Act, As Passed by the House of Representatives, November 20, 2009, http://www.cbo.gov/doc.cfm?index=10741.

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

	Senate (H.R. 3590) 12/24/09	House of Representatives (H.R. 3962) 11/7/09
Formerly uninsured now covered, 2019	31 million	36 million
Additionally covered by Medicaid/CHIP, 2019	15 million	15 million
Covered in exchange, 2019	30 million	30 million
Net cost of coverage expansion, 2010–2019	$763 billion	$891 billion
Net impact on federal deficit, 2010–2019	–$132 billion	–$138 billion

Source: The Congressional Budget Office Cost Estimate of the Patient Protection and Affordable Care Act, Dec. 19, 2009, http://cbo.gov/doc.cfm?index=10868. The Congressional Budget Office Analysis of H.R. 3962, The Affordable Health Care for America Act, As Passed by the House of Representatives, November 20, 2009, http://www.cbo.gov/doc.cfm?index=10741.

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Figure 9. Major Areas of Similarities and Differences Between Bills

Similarities between bills	Differences between bills
❖ Individual mandate ❖ Insurance exchange ❖ Premium and cost-sharing subsidies ❖ Insurance market regulations ❖ Essential standard benefit package standard ❖ Medicaid / CHIP expansion ❖ Center for Payment Innovation; pilot programs for rapid cycle testing of innovative payment methods ❖ Creating a national quality improvement strategy ❖ Improving primary care reimbursement ❖ Center for Comparative Effectiveness Research ❖ Create and expand wellness and prevention programs	❖ Employer shared responsibility ❖ Independent Payment Advisory Board to extend Medicare solvency, slow Medicare cost growth and increase quality of care ❖ Sources of revenue: surcharges on higher income vs. excise tax on high cost health plans ❖ Choice of public plan in exchange ❖ Nationally- vs. State-based exchanges

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Source: Commonwealth Fund analysis of health reform proposals.