

House Democrats Unveil Health Care Reform Legislation

House Democratic leaders on July 14 introduced comprehensive health care reform legislation designed to expand access to affordable health care and improve quality. Sponsors of the legislation said the “America’s Affordable Health Choices Act” (H.R. 3200) would ensure 97 percent of Americans will be covered by a health plan by 2019. Speaker Nancy Pelosi (D-CA) said the bill is a starting point on lowering health costs and increasing choices for Americans. She emphasized that the bill would prevent insurance companies from denying coverage based on pre-existing conditions. Pelosi also said she is committed to passing the bill before the August recess, noting that inaction is not an option.

Energy & Commerce Committee Chairman Henry Waxman (D-CA) said the legislation is a “defining moment” that builds on the existing health care system. The legislation allows those with health insurance to keep their current coverage if they like it and makes several reforms to both expand coverage and improve quality. For example, the bill includes a Health Insurance Exchange to facilitate comparison and purchase of health insurance coverage. One of the plans available through the exchange will be a public insurance option, which is designed to promote competition with private insurance. To ensure access to care, the legislation reforms the insurance market by requiring guaranteed coverage and creates an advisory body to develop a basic benefit package that eventually will become the minimum package for employer-sponsored plans.

The “America’s Affordable Health Choices Act” also addresses affordability of coverage and calls for shared responsibility from individuals and employers to ensure access to coverage for all Americans. For example, individuals (except in cases of hardship) would be responsible for obtaining coverage and employers would be required to either provide health insurance that meets a minimum standard or pay a percentage of their payroll into the health insurance exchange. To help make coverage affordable, the legislation provides “affordability credits” on a sliding scale up to 400 percent of the federal poverty level and would cap annual out-of-pocket spending for medical expenses.

The legislation includes reforms to promote wellness and prevention and makes investments in the health care workforce. The bill also includes payment reforms to Medicare and Medicaid designed to improve payment accuracy and slow the rate of growth of health care spending. For example, the bill eliminates overpayments to Medicare Advantage plans.

A preliminary analysis of the bill released by the Congressional Budget Office finds the legislation would cost \$1.042 trillion over 10 years.

President Obama praised the legislation, saying House committee leaders have produced “a health care reform proposal that will lower costs, provide better care for patients, and ensure fair treatment of consumers by the insurance industry.” Although most Democrats are supporting the House bill, some in the caucus have voiced concern over the bill’s overall cost. The Blue Dog Coalition of moderate Democrats said in a statement they look “forward to working through the legislative process to incorporate” more cost

savings into the bill. House Republicans, however, criticized the measure, saying the tax increases in the bill designed to offset the cost of reform are unwise during a recession and that other provisions will cause workers to lose their jobs.

The Energy & Commerce Committee, Ways and Means Committee and the Education and Labor Committee will begin to markup the bill on July 16.

A summary of the legislation is available [here](#). The text of the legislation is available [here](#).

