

Health care issues

A look at key topics in the overhaul of health care in America:

	House Bill (Affordable Health Care for America Act)	Senate Democratic Bill
Status	Democratic-controlled House narrowly passed this landmark health care legislation Saturday night, 220-215.	Majority Leader Harry Reid, D-Nev., is finalizing legislation merging the work of two committees and making other changes. The bill has not yet been made public. Reid needs the votes of all 60 of his caucus members just to bring it before the Senate, and will also need those 60 votes to overcome a GOP filibuster.
Who's covered	About 96 percent of legal residents under age 65. About one-third of the remaining 18 million people under age 65 left uninsured would be illegal immigrants.	The Senate Finance version covered an estimated 94 percent of Americans. Illegal immigrants would not receive government benefits.
Cost	The bill's cost of expanding insurance coverage over 10 years is \$1.055 trillion. The net cost is \$894 billion. Those figures leave out a variety of new costs, including increased prescription drug coverage for seniors under Medicare.	Leaders aim to keep it under \$900 billion over 10 years.
How it's paid for	\$460 billion over the next decade from new income taxes on single people making more than \$500,000 a year and couples making more than \$1 million. There are more than \$400 billion in cuts to Medicare and Medicaid; a new \$20 billion fee on medical device makers; \$13 billion from limiting contributions to flexible spending accounts; penalties paid by individuals and employers who don't obtain coverage; and a mix of other corporate taxes and fees.	Fees on insurance companies, drug makers and medical device manufacturers. Tax levied on insurance companies, equal to 40 percent of total premiums paid on insurance plans costing more than \$8,000 annually for individuals and \$21,000 for families. But that number may rise to \$23,000. Retirees older than 55 and people in high-risk professions may be allowed to have more valuable plans before they're taxed. Cuts to Medicare and Medicaid. A fee on employers whose workers receive government subsidies to help them pay premiums. Fines on people who fail to purchase coverage.
Requirements for individuals	Must have insurance, enforced through a tax penalty of 2.5 percent of income. Can apply for hardship waivers.	Must get coverage through an employer, on their own or through a government plan. Exemptions for economic hardship. The Senate Finance Committee version required individuals and families to buy coverage as long as it cost no more than 8 percent of their income. Those who refuse would face a fine of perhaps \$100 in the first year, likely to increase over time.
Requirements for employers	Employers must provide insurance to their employees or pay a penalty of 8 percent of payroll. Companies with payrolls under \$500,000 annually are exempt; the penalty is phased in for companies with payrolls between \$500,000 and \$750,000. Small businesses with 10 or fewer workers get tax credits to help them provide coverage.	Not required to offer coverage, but companies with more than 50 full-time workers would pay a fee as high as \$750 multiplied by the total size of the workforce if the government ends up subsidizing employees' coverage.
Subsidies	Individuals and families with annual income up to 400 percent of poverty level, or about \$88,000 for a family of four, would get sliding-scale subsidies to help them buy coverage. The subsidies would begin in 2013.	Tax credits for individuals and families likely making up to 400 percent of the federal poverty level, which computes to about \$88,000 for a family of four. Tax credits for small employers.
How you choose your health insurance	Beginning in 2013 through a new Health Insurance Exchange open to individuals and, initially, small employers. It could be expanded to large employers over time. States could opt to operate their own exchanges if they follow federal rules.	Self-employed people, uninsured individuals and small businesses could pick a plan offered through new state-based purchasing pools. Employees would be encouraged to keep their work-provided coverage.
Benefits package	A committee would recommend a so-called essential benefits package including preventive services. Out-of-pocket costs would be capped.	All plans sold to individuals and small businesses would have to cover basic benefits. The government would set four levels of coverage: Under legislation passed by the Senate Finance Committee, the least generous would pay an estimated 65 percent of health care costs per year; the most generous would cover 90 percent.
Insurance industry restrictions	No denial of coverage based on pre-existing conditions. No higher premiums allowed for pre-existing conditions or gender. Limits on higher premiums based on age.	No denial of coverage based on pre-existing conditions. No higher premiums allowed for pre-existing conditions or gender. Limits on higher premiums based on age and family size.
Government-run plan	A new public plan would be set up and run by the secretary of Health and Human Services. Would let the HHS secretary negotiate rates with providers.	Reid proposed a new federal insurance plan with payment rates to providers negotiated by the Health and Human Services secretary. States could opt out of the plan. It's not clear the proposal commands enough votes to survive, and it could be replaced by a standby system pushed by moderates that would not go into effect until it was clear individual states were experiencing a lack of competition among private companies. The bill also would create nonprofit, member-owned co-ops to compete with private insurers.
Changes to Medicaid	Would be expanded to cover all individuals under age 65 with incomes up to 150 percent of the federal poverty level, which is \$33,075 per year for a family of four. The federal government would pick up the full cost of the expansion in 2013 and 2014; thereafter, the federal government would pay 91 percent and states 9 percent.	Income eligibility levels likely to be standardized to 133 percent of poverty, or \$29,327 a year for a family of four. States could negotiate with insurers to arrange coverage for people with incomes slightly higher.
Drugs	Grants 12 years of market protection to high-tech drugs used to combat cancer, Parkinson's and other deadly diseases. Phases out gap in Medicare prescription drug coverage by 2019. Requires the HHS secretary to negotiate drug prices on behalf of Medicare beneficiaries.	Grants 12 years of market protection to high-tech drugs used to combat cancer, Parkinson's and other deadly diseases. Drug companies contribute \$80 billion over 10 years with the majority of the money used to limit the prescription coverage gap in Medicare.
Antitrust	Would strip the health insurance industry of exemption from antitrust laws covering market allocation, price fixing and bid rigging. Would give the Federal Trade Commission authority to look into the health insurance industry at its own initiative.	Amendment expected to be offered on the Senate floor to strip the health insurance industry of its antitrust exemption.