

## The House and Senate Health Bills Compared

	Senate Bill	House Bill
CBO cost est. / net 10 yr.	\$871 billion	\$894 billion
Gov't – sponsored insurance plan	None. Requires the Office of Personnel Management to contract for at least two multi-state plans to be offered on the exchange in each state, including one non-profit plan, and one that does not offer abortion coverage.	Creates a public option, financed through premiums. It would use negotiated rates no lower than Medicare rates.
Taxes	Imposes a 40% excise tax on individual health plans over \$8,500 and family plans above \$23,000. Collects annual fees from drug and medical device makers, insurers. Includes a 10% tax on tanning salon services, and raises Medicare payroll tax 0.9% on couples' income above \$250,000.	Imposes a 5.4% surtax on family incomes above \$1 million and individual incomes above \$500,000. Taxes 2.5% of the price on the first sale of any medical device.
Medicaid expansion	Up to 133% of Federal Poverty Level (FPL).	Up to 150% of Federal Poverty Level (FPL)
Medicare Advantage changes	Sets payments based on the average of the bids from plans in each market. Creates performance bonus payments, and provides a four-year transition to new benchmarks beginning in 2012.	Reduces benchmarks to fee-for-service levels by 2013.
Employer mandate	No	Yes
Employer's share of premium cost	N/A	72.5% for individuals, 65% for families
Employer penalties	Employers with more than 50 employees that do not offer coverage must pay a \$750 fee for each full-time worker receiving a health insurance tax credit.	Employers not offering insurance would pay fines of up to 8% of payroll.
Employer exemption	N/A	Exempts employers with an annual payroll less than \$500,000 from penalties.
Individual mandate	Yes	Yes
Premium subsidies for incomes	Up to 400% FPL.	Up to 400% FPL.
Premium contribution limits	From 2% of income for those at 100% of FPL, phasing out to 9.8% at 400%.	From 3% of income for those at 133% of FPL, phasing out to 12% at 400%.
Individual penalty	\$750 per person/yr.	2.5% of modified adjusted gross income.
Abortion Provisions	No health plan on the exchange would be required to offer abortion coverage, and those that do would be prohibited from using money from taxpayer subsidies to pay for such procedures.	Bars federal funds for abortions in the public option. Bars those receiving subsidies from buying plans that provide elective abortions.
CongressDaily		Sources: H.R. 3590, 3962, committee summaries

Taxes. The Senate Bill obviously penalizes married couples. If a man and woman each earn \$130,000 individually, they would earn \$260,000 once they were married thus increasing their Medicare payroll tax by 0.9%. Both Bills will increase costs to consumers of medical devices and drugs. If a business has raw material cost increases or tax increases, those costs are usually passed onto the consumer. Business 101 states that a business should be in business to make a profit; whereas Government 101, with a Democrat professor, is tax and spend (or is it spend and tax) with no regard to a positive balance sheet.

Expands Medicare eligibility, thus increasing the burden on yet another already financially insolvent government program.

It will be interesting to see what performance metrics will be adopted and who will get to decide how to apply them. This is yet another ploy to control and increase the size of government.

Mandates and penalties. Unconstitutional.

State Budgets. Where is the analysis of how the provisions in these bills affect state budgets with the exception of Nebraska and Louisiana, of course? The assumption can only be that there will be a negative impact on state budgets already in the RED resulting in more state and local tax increases to offset yet another government program that was not been completely thought out. Case in point, who will pay for the state health exchanges?