



A Comparison of the Subsidies in the Three Congressional Health Reform Proposals

All current Congressional health reform proposals provide subsidies to help low- and middle-income families purchase health insurance. The tables below compare the proposals across two basic measures of affordability: 1) how much will families have to pay for premiums? and 2) how much out-of-pocket cost could families pay if they face a catastrophic illness?

How much will individuals have to pay for premiums?

Table 1 compares the premium subsidies in each of the major Congressional health reform proposals. For comparison purposes, this table also lists the subsidies offered under the Massachusetts health reform plan in 2009.

Table 1: Premiums as a Percent of Income for Individuals with Subsidies

Percent of the Federal Poverty Level	Income for a family of three at bottom of income bracket	House Bill		HELP Bill as passed by the Committee	Senate Finance proposal	Massachusetts Health Reform in 2009
		As introduced July 14 th	As passed by Energy and Commerce Committee			
0-100%	\$0	1.5%	1.5%	n/a	n/a	0
100-150%	\$18,310	1.5%	1.5%	n/a	3%	0
150-200%	\$27,465	3%	3%	1	5.5%^	3%
200-250%	\$36,620	5%	5.5%	3.3%^	8%^	5%
250-300%	\$45,775	7%	8%	5.6%^	10.5%*^	6%
300-350%	\$54,930	9%	10%	7.9%^	13%*	8%**
350-399%	\$64,085	10%	11%	10.2%^	13%*	7%**
400%	\$73,240	11%	12%	12.5%	13%*	9%**

^ These premium levels are not specified in the proposal; they are estimates by Community Catalyst.

* Individuals will be exempt from the mandate if they cannot find insurance for less than 10% of their income.

** Massachusetts does not offer subsidies to individuals earning above 300% FPL, but it does exempt individuals at these income levels if they cannot find affordable coverage. These income levels are *approximate*, because Massachusetts uses income brackets that are not equivalent to those used in the three Congressional health reform proposals.

How much cost-sharing could families pay if they face a catastrophic illness?

Table 2 compares the annual out-of-pocket caps for subsidized families in each of the major Congressional health reform proposals. These caps do not represent what the typical family will pay; rather, they are meant to protect people who face a catastrophic illness or have multiple chronic conditions against unlimited out-of-pocket expenses. It is reasonable to assume these families should, at a minimum, be protected from underinsurance.¹ For comparison purposes this table also lists out-of-pocket caps that fall just below the out-of-pocket expense levels that would leave families underinsured.

Table 2: Out-of-Pocket Caps for Subsidized Plans

Percent of the Federal Poverty Level	Income for a family of three at bottom end of income bracket	House Bill as introduced July 14 th and as passed by Energy and Commerce Committee		HELP Bill as released July 2		Senate Finance proposal		Standard That Would Protect Consumers From Underinsurance	
		Out-of-pocket cap in dollar amount	Out-of-pocket cap as a percent of income	Out-of-pocket cap in dollar amount	Out-of-pocket cap as a percent of income	Out-of-pocket cap in dollar amount	Out-of-pocket cap as a percent of income	Out-of-pocket cap in dollar amount	Out-of-pocket cap as a percent of income
0-100%	\$9,155*	\$900^	10%*	n/a	n/a	n/a	n/a	\$0	5%
100-150%	\$18,310	\$900^	5%	n/a	n/a	\$3,867	21%	\$916	5%
150-200%	\$27,465	\$1,450^	5%	\$2,320	8%	\$3,867	14%	\$1,373	5%
200-250%	\$36,620	\$4,400^	12%	\$5,800	16%	\$5,800	16%	\$3,662	10%
250-300%	\$45,775	\$7,450^	16%	\$5,800	13%	\$5,800	13%	\$4,578	10%
300-350%	\$54,930	\$8,520^	16%	\$11,600	21%	\$11,600	21%	\$5,493	10%
350-399%	\$64,085	\$10,000	16%	\$11,600	18%	\$11,600	18%	\$6,409	10%
400%	\$73,240	\$10,000	14%	\$11,600	16%	\$11,600	16%	\$7,324	10%

* At 50% FPL; most families are eligible for Medicaid at this income level

^ As estimated by House Ways and Means, July 31, 2009

Sources: “America’s Affordable Health Choices Act of 2009” (HR3200) as introduced by the House Tri-Committees on July 14th; Amendment to HR3200 offered by Congressman Ross in the Energy and Commerce Committee on July 31; “Affordable Health Choices Act” as reported from the Senate Health, Education, Labor and Pensions Committee; “Framework for Comprehensive Reform” offered by Senator Baucus to the Group of Six on September 8; “How Many Are Underinsured? Trends Among U.S. Adults, 2003 and 2007” by Cathy Schoen et al. as published in Health Affairs in 2008; “Congressional Democrats Show Health Costs” reported by Kaiser Network News, available at <http://www.kaiserhealthnews.org/Stories/2009/September/04/House-Bill-Premiums.aspx>

¹ The Commonwealth Fund defines individuals as underinsured if they spend more than 10% of their income on out-of-pocket costs, or if they earn below 200% FPL and spend more than 5% of their income on out-of-pocket costs.