



## **Major Amendments to the Senate Finance Committee Chairman's Mark**

In a two-week mark-up, the Senate Finance Committee adopted dozens of amendments to the bill proposed by Chairman Max Baucus. Following is a summary of the major changes.

### **Affordability**

- Families would be exempted from the mandate to obtain insurance if they cannot find coverage for less than 8 percent of their income.
- Penalties for failing to obtain insurance would be lowered to \$750 per adult per year. The penalty would be phased in, starting with \$200 in 2014, rising to \$400 in 2015, \$600 in 2016, and \$750 in 2017.

### **Private insurance**

- Premiums could only vary by a 6:1 ratio based on age, geography, family size and tobacco use.
- States would be given authority to permit or prohibit insurance changes - including sale of national plans or plans from other states - and insurance regulations as long as coverage meets standards set in the Exchange.
- States could redirect federal tax credits to create subsidized Basic Health Plans for people between 133 - 200 percent of the Federal Poverty Level (FPL). States would negotiate rates with plans and providers, and could use innovative payment structures, networks and care management to reduce the cost of covering this population.

### **Insurance Exchange**

- Only one exchange would be allowed in each geographic area.
- All members of Congress and congressional employees must purchase their coverage through the Exchange.
- Plans sold through the Exchange must meet federal rules on mental health parity.

### **Children's Health Insurance Program**

- CHIP would be preserved in its current form through at least 2019, including existing benefits and out-of-pocket costs. States would be required to maintain eligibility at least at current levels, but would get an increase in federal matching funds of 23 percentage points starting in 2014.

### **Medicaid**

- States would not have to maintain current eligibility levels for Medicaid coverage of non-pregnant, non-disabled adults with incomes above 133 percent FPL until Exchanges are fully operating or Jan. 1, 2014. States could cut back this eligibility as of Jan.1, 2010, if they are facing budget deficits or expect to face deficits in the coming year.

### **Prescription Drugs**

- Pharmacy Benefit Managers (PBMs), the middlemen that handle prescription drug purchasing for many insurers, would be required to disclose pricing, rebates and dispensing information to insurers and the federal government which would allow more transparency and could reduce costs.

### **Medicare**

- Medicare beneficiaries with multiple chronic conditions would get primary care in their homes under a pilot program.
- A new office in the Centers for Medicare & Medicaid Services (CMS) would increase access to services for dually eligible beneficiaries by integrating Medicaid and Medicare policies and improving state and federal coordination.

### **Improving Quality**

- The federal government would provide increased matching funds to states that offer home and community-based services in Medicaid proven to reduce the need for nursing home stays.
- States could create a Medicaid state plan option for people with mental illness that allows them to designate a provider as their health home.