



Consumer Perspective on Senate Finance Committee Proposals to Expand Health Care Coverage

The Senate Finance Committee's policy options paper on expanding health care coverage offers strong proposals to extend health insurance coverage to millions of United States residents. We praise the committee for these strong steps forward, which include:

- building on Medicaid and the Children's Health Insurance Program
- requiring insurers to sell policies to everyone, regardless of health status
- creating an insurance Exchange to help people access health insurance
- actively seeking to address racial and ethnic disparities

We believe that the committee and Congress must go further to ensure that quality affordable health care is available to all. Our recommendations follow.

Insurance Market Reforms

We support the committee's proposals that would:

- create national standards for private insurance, including guaranteed issue and modified community rating
- create a Health Insurance Exchange

We recommend that the committee:

- phase out age rating and eliminate all exclusions for pre-existing conditions
- more clearly define benefits and cost-sharing for each of the four insurance levels offered through the Exchange
- require that all insurance plans meet the EPSDT standard for children's coverage
- make the Exchange the sole venue for buying individual and small group coverage
- require that each insurer pool risk among all its Exchange plans

Making Coverage Affordable

We support the committee's proposals that would:

- require all insurers in the individual and small group markets to provide a broad range of benefits
- subsidize premiums for individuals between 100 and 400 percent of the federal poverty level (FPL)
- provide tax credits for small businesses that provide insurance for employees

We recommend that the committee:

- require that all insurance plans inside and outside the Exchange cover the broad range of benefits specified by the committee
- exempt people below 200 percent FPL from paying any premiums, and require people between 200 and 300 percent FPL to make only modest contributions toward premiums
- cap the amount of out-of-pocket expenses that patients face in private plans, set lower caps for families below 300 percent FPL, and exempt these families from deductibles

Public Plan

We support the committee's proposal that would:

- establish a public plan. This would create a benchmark against which to measure private plans, and would help reduce the growth of health care costs.

Role of Public Programs

Medicaid

We support the committee's proposals that would:

- strengthen Medicaid and expand it to cover pregnant women, children and parents to 150 percent FPL and adults without dependent children to 115 percent FPL.
We prefer Option 1.
- improve enrollment and retention efforts, including elimination of face-to-face eligibility interviews
- automatically increase federal support for Medicaid during economic downturns
- set a floor for provider rates
- develop prevention and wellness grant programs that improve care coordination across medical and community-based services

We recommend that the committee:

- authorize full federal funding of coverage for adults without dependent children, which the committee explicitly proposes only in Option 3
- make federal matching funds available to states that expand eligibility for pregnant women, children and parents beyond 150 percent FPL
- target some of the prevention grants to improve primary care for children and to help address racial and ethnic disparities

CHIP

We support the committee's proposals that would:

- expand coverage to children in families with incomes up to 275 percent FPL
- limit cost-sharing for low-income children

We recommend that the committee:

- allow states to cover children at levels above 275 percent FPL and still receive federal matching funds

Disproportionate Share Hospital Payments (DSH)

We recommend that the committee:

- target funds to preserve state and local safety nets that pay for all medically necessary services, and condition payment on meeting strong federal standards for providing charity care and reporting on services provided

Dual Eligibles

We support the committee's proposal that would:

- establish an Office of Coordination for Dually Eligible Beneficiaries

We recommend that the committee:

- develop methods to share savings with states that integrate Medicaid and Medicare benefits

Medicare

We support the committee's proposal that would:

- phase out the two-year waiting period for Medicare for disabled adults

Shared Responsibility

We support the committee's proposal that would:

- require businesses to contribute to health insurance for employees or pay an assessment to help fund subsidies

We recommend that the committee:

- couple an individual mandate with stronger affordability protections. Specifically, we recommend exempting anyone whose premium *plus* out-of-pocket expenses totals more than 9 percent of income, and setting a lower limit for families earning less than 600 percent FPL.
- reduce the proposed penalties for low-income people

Options to Address Health Disparities

We support the committee's proposals that would:

- require all private insurers in the Exchange to meet Culturally and Linguistically Appropriate Services (CLAS) standards
- award grants for enrollment and outreach, including multi-lingual help-lines

We recommend that the committee:

- require all public and private insurers and providers to meet CLAS standards
- eliminate the five-year waiting period for Medicaid eligibility for all legal immigrants
- extend consumer assistance services, including help-lines, to a broad cross-section of the population, with special focus on racial, ethnic and linguistic minorities, low income people, and other underserved groups