







Impact of Health Care Measures

HOUSEHOLD	CURRENT HEALTH CARE SITUATION	UNDER THE HOUSE PLAN	UNDER THE SENATE HEALTH COMMITTEE PLAN
 <p>Unemployed, single woman</p> <p>ANNUAL HOUSEHOLD INCOME \$14,000</p> <p>AGE 24</p> <p>DEPENDENT CHILDREN None</p> <p>HEALTH STATUS Healthy</p>	<p>Uninsured</p> <p>She was a dependent on her parents' employer-sponsored insurance plan until she graduated from college (Rules and age limits for dependents under employer plans vary by state.) Childless adults are generally not eligible for Medicaid under current rules.</p>	<p>She could qualify for Medicaid, which would be open to individuals with incomes up to 133 percent of the federal poverty level (\$14,400 a year for an individual).</p>	<p>She could stay on her parents' plan through age 26. She would also be eligible for Medicaid. The proposal would expand the program to all individuals with incomes up to 150 percent of the poverty line (\$16,245 a year for an individual).</p>
 <p>Self-employed, single man</p> <p>ANNUAL HOUSEHOLD INCOME \$28,000</p> <p>AGE 42</p> <p>DEPENDENT CHILDREN None</p> <p>HEALTH STATUS Recently had a heart attack</p>	<p>Uninsured</p> <p>As a self-employed person, he would not have access to group coverage in most states. Group coverage is generally more affordable and is prohibited from denying coverage on account of a person's health status. If he wanted to buy insurance, many plans might deny coverage or charge higher premiums because of his heart condition.</p>	<p>He could receive subsidies to buy health insurance from a health insurance exchange, which, under both proposals, would offer a menu of private plans and a public plan. His out-of-pocket medical expenses would also be capped at a share of his income. Insurers could not charge higher premiums or deny coverage because of a pre-existing condition. If he still cannot afford to buy insurance, he may be eligible to apply for a hardship waiver. The bills do not specify standards for the waivers.</p>	
 <p>Employed, single mother</p> <p>ANNUAL HOUSEHOLD INCOME \$38,000</p> <p>AGE 34</p> <p>DEPENDENT CHILDREN Two; under six years of age</p> <p>HEALTH STATUS Healthy</p>	<p>Uninsured</p> <p>Employer does not offer health benefits and the family cannot afford private insurance. The children and their mother are not eligible for coverage under Medicaid or the Children's Health Insurance Program. In general, families with income above 200 percent of poverty are not eligible for the public programs in most states.</p>	<p>The family could receive assistance to buy insurance from an exchange and out-of-pocket medical costs would be capped. Democrats say an exchange, and a public plan, could stimulate competition among insurers and hold down premiums. If the family still cannot afford to buy insurance, they could apply for a hardship waiver.</p>	
 <p>Employed, married couple</p> <p>ANNUAL HOUSEHOLD INCOME \$125,000</p> <p>AGE Husband 33; wife 35</p> <p>DEPENDENT CHILDREN None</p> <p>HEALTH STATUS Healthy</p>	<p>Insured</p> <p>The couple receives health benefits from an employer.</p>	<p>The couple could keep their current plan. Employer-sponsored health plans would have to meet certain standards of coverage within five years of the bill's enactment.</p>	<p>The couple could keep their current plan, which would not be immediately affected by the legislation.</p>
 <p>Small business owner, married couple</p> <p>ADJUSTED GROSS INCOME \$70,000</p> <p>AGE Husband 50, wife 48</p> <p>DEPENDENT CHILDREN A 17-year-old</p> <p>HEALTH STATUS Wife has high blood pressure</p>	<p>Family is insured</p> <p>The family buys health insurance, but the wife's hypertension drives up the cost of coverage. This year, a typical American household spent roughly \$15,000 on health care.</p> <p>Employees are uninsured</p> <p>The couple owns a furniture store that employs five people and has an annual payroll of \$150,000. They do not offer insurance to their employees.</p>	<p>The couple may pay less in premiums because the proposals would limit the ability of insurers to charge higher rates because of health status, gender and other factors. The family could also buy insurance for themselves, and their employees, through the exchange.</p> <p>The family will most likely be required to have insurance or pay:</p> <p>About \$1,282 in penalty (2.5 percent of adjusted gross income over a certain level, which is \$18,700 for a couple).</p>	<p>About \$2,250 in penalty (\$750 for a person).</p>
 <p>Business owner and executive, married couple</p> <p>ADJUSTED GROSS INCOME \$1 million</p> <p>AGE Both 60</p> <p>DEPENDENT CHILDREN None</p> <p>HEALTH STATUS Healthy</p>	<p>Family is insured</p> <p>The couple receives health benefits from the wife's employer.</p> <p>Employees are uninsured</p> <p>The husband's restaurant employs 15 people and has an annual payroll of \$400,000. The business does not offer health insurance to the employees.</p>	<p>The couple could keep their current plan. They would pay \$9,000 in surtax (imposed on couples with an adjusted gross income above \$350,000). The husband's business would have to offer full-time employees insurance or pay \$24,000 – 6 percent of the payroll – to help finance coverage for them (Employers with an annual payroll of more than \$400,000 would pay 8 percent of wages). He could buy insurance at the exchange a year after it is established. The exchange would be open to employers with 10 or fewer employees in the first year and 20 or fewer in the second year, and possibly to larger employers over time.</p>	<p>The couple could keep their current plan. The husband's business would not have to offer health benefits to its employees. The proposal requires employers with 25 or more workers to contribute at least 60 percent of the premium costs for their full-time employees or pay a penalty of \$750 for each full-time worker and \$375 for each part-time worker.</p>

Source: *The New York Times*, Families USA, House & Senate Committees