

# House Democrats Weigh Major Health Care Changes

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House Democrats weigh major health care changes RICARDO ALONSO-ZALDIVAR and ERICA WERNER, Associated Press Writers

WASHINGTON\_House Democrats are looking at big health care changes, including federal aid to help families earning up to \$88,000 pay for insurance and a requirement that all must carry coverage.

A document obtained by The Associated Press shows the plan being written by the House Energy and Commerce Committee would also require employers to offer coverage to their full-time workers, or pay a percentage of their payroll to the government.

The House committee summary is a first look at where Democratic leaders in that chamber are headed as they try to meet an ambitious goal of passing a bill by the end of July. Energy and Commerce Chairman Henry Waxman, D-Calif., will play a central role in crafting the plan, along with two other committee chairs, then steer it through negotiations with the Senate later in the year.

President Barack Obama has said the final legislation must rein in costs, guarantee choice of health plans and medical providers, and ensure that all Americans have access to affordable coverage. But he's leaving it to Congress to try to work out the details.

The three-page summary says the House plan would "minimize disruption" for people who already have coverage and give them the "ability to keep what you have." All Americans would be protected by an annual limit on out-of-pocket costs, a safeguard already in the best private plans.

Yet proposed changes would affect everyone, particularly since workers are now more likely to change jobs \_ and even careers. The moves jeopardize job-based benefits.

The Energy and Commerce plan broadly tracks with the health care proposals that Obama outlined during the campaign. But in several areas, it goes further than what the Senate is likely to approve. For example, while there appears to be support in the Senate for requiring individuals to get coverage, an employer requirement might not get through.

The House summary does not include any cost estimates, but independent experts have put the price tag for such a plan at \$1.2 trillion to \$1.5 trillion over 10 years, with some estimates ranging as high as \$1.7 trillion.

The president has proposed a down payment of \$634 billion over 10 years to pay for expanding coverage, a 50-50 mix of tax increases and spending cuts. Obama is also promising to hold hospitals, doctors, drug makers and other providers to their recent offer of \$2 trillion in savings over 10 years.

The Energy and Commerce plan would build on the current system in which employers, government and individuals share responsibility for the cost of health insurance. But it would make major changes in the way Americans get and pay for coverage. Workers and employers would have new obligations to obtain coverage. Insurers would have to abide by new consumer protections to prevent sick people from being denied coverage.

The subsidies for health insurance would be offered on a sliding scale to those earning up to four times the federal poverty level, or \$88,200 for a family of four, according to the document.

The House plan would set up a new insurance purchasing pool called an "exchange" to help make private coverage more affordable for individuals and small businesses. In its first year, the exchange would be open only to employers with fewer than 10 workers.

Health insurance plans that participate in the exchange would have to follow new consumer protection rules. They would not be able to deny coverage to the sick, or charge them exorbitant rates.

A panel of experts \_ some from government, some outside \_ would recommend a benefits package for the plans in the new insurance exchange. Several benefit levels would be available, with the main difference being the amount of cost sharing for individuals and families.

The document also calls for creation of a new government insurance plan to compete with private companies.

The government plan would probably be run by the Health and Human Services department, but it would have to compete on its own. The government insurance plan would be financed by premium payments, not taxpayer dollars.

Insurers are strongly opposed to the creation of a government-sponsored plan, saying it would drive them out of business. Democrats say a public plan would help everybody by injecting competition into a health care market that in many areas is dominated by a handful of major insurers.

The Energy and Commerce proposal also calls for a significant investment in public health, although it does not provide a dollar figure. One of the ideas is to create "health empowerment zones" in areas with high rates of preventable illness, helping local hospitals and doctors come up with community-wide efforts to improve health by fighting obesity, smoking or excessive alcohol consumption.

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