

# An analysis of H.R.3962

Prepared by the United Methodist General Board of Church & Society

<p><b>When you lose your job you lose your health care.</b></p> <p><b>Employer doesn't provide insurance and there's no other affordable way to get it.</b></p>	<p>There will be no lost health care. Everyone will be required to have health care, or pay a tax penalty of the lower of 2.5% of income or the cost of a premium.</p> <p>If your employer doesn't provide insurance, or if you lose your job and employer-provided health care, and do not go to a new job with health insurance benefits immediately, you can obtain health care through an Exchange, where individual policies will be available or from an expanded Medicaid.</p> <p>If your income is below 150% of the Federal Poverty Level (FPL) — \$33,100 per year for a family of 4 — you will be eligible for Medicaid. If your income is between 150% and 400% of the FPL, you can purchase subsidized insurance on the Exchange.</p>
<p><b>Insurance premiums are unaffordable.</b></p>	<p>The amount you pay for your premium on the Exchange, if you are below 400% of the Federal Poverty Level (FPL) — \$88,266 — will be subsidized on a sliding scale. You will pay no more than 5.5% of your income at 200% of FPL, and no more than 12% at 400% of FPL. So, with a family income of \$88,266, your premium would be no more than \$10,591. The Associated Press reported that employers currently pay an average of \$13,375 for a family policy, with the employee paying \$3,515 and the employer the rest. The Congressional Budget Office estimates that by 2016, if there is no health-care reform, the cost to employers of a family policy will rise to about \$19,000 per year.</p> <p>H.R.3962 has various mechanisms intended to drive premium rates down:</p> <ul style="list-style-type: none"> <li>• The Exchange itself, by getting everyone into the health insurance market, eliminates subsidies for the uninsured. About \$1,000 of the cost of a family policy actually subsidizes expensive hospital care for the uninsured currently.</li> <li>• Competition from the Public Health Insurance Option. Although this option is much weaker than originally proposed, it is still intended to offer the public some choice, competition and accountability. The insurance industry does not like this competition, their opposition may be confirmation that the current proposal may help reduce costs.</li> <li>• H.R.3962 also repeals an anti-trust exemption that has protected insurers from competition in the past.</li> </ul>
<p><b>When you lose your job and are unemployed, COBRA payments are out of reach.</b></p>	<p>When you lose employer-provided insurance, you will be able to obtain subsidized individual insurance or expanded Medicaid if eligible. For those currently on COBRA, however, you will be able to continue your COBRA until the Exchange is up and running.</p>

<b>Benefits inadequate: Copays are unaffordable. So medicines, tests and treatments are too expensive and, in effect, care is rationed.</b>	There will be four tiers of plan in the Exchange: basic plan pays 70% of expenses to premium, which pays 95%. Maximum out of pocket is \$5,000 individual and \$10,000 family.
<b>Employer finds a way to put you on part-time status so you're not eligible for health insurance, even when you're willing to pay the full cost.</b>	H.R.3692 does not address employer characterization of your job status. Regardless of whether you work full time, part time or not at all, you will be able to get insurance through the Exchange or expanded Medicaid.
<b>Because health insurance comes from your employer, you have to keep working even when you're dying of cancer to give your family health coverage.</b>	When your health keeps you from working and your employment ceases, you will be able to turn to the expanded Medicaid if your new income is below 150% of Federal Poverty Level (FPL), or to a policy from the Exchange, if it is above 150% of FPL.
<b>An individual plan costing over \$1,000 per month is unaffordable for a young person.</b>	H.R.3692 calls for "age rating" not to exceed a ratio of 2:1. This means the youngest people's premium will be at least 50% the premium of the oldest, which is age 64, and will be higher than if the ratio were larger. You will be eligible for Medicaid if your income is below 150% of the Federal Poverty Level (FPL), and subsidized insurance on the Exchange if your income is 150% to 400% of FPL. The very young will be able to stay on their parents' policy until age 27.
<b>When you have no insurance, you can get excellent emergency care, but no follow up or rehabilitation.</b>	H.R.3692 calls for a Health Benefits Advisory Commission of physicians and other expert members, who will help the Secretary of Health & Human Services define the essential benefit package.
<b>A month after an accident, the responsible party's auto insurance was dropped/cancelled, and the insurer stopped paying for the victim's hospitalization.</b>	While H.R.3692 does not address auto insurance, the expanded health coverage should mean that the hospitalization will continue to be covered.
<b>Plan doesn't include my doctor or doctor won't accept Medicare supplemental.</b>	H.R.3692 does not address this problem directly because insurers remain free to choose which doctors will be in their panels. Doctors remain free to choose which panels, if any, they participate in.
<b>Medicare will pay for a liver transplant, but only 36 months of the medicine that keeps your body from rejecting the transplant.</b>	H.R.3692 removes the 36-month restriction effective Jan 1, 2012. The House legislation also makes a number of other improvements to Medicare some immediate relief in 2010 for the "doughnut hole" — in which, after your costs for medicine had reached a certain point, you continued to pay premiums but had to pay the full cost of medicine until you had reached another threshold — and its gradual phase out by 2019. In addition, instead of being prohibited from negotiating cost of drugs, as at present, the Secretary of Health & Human Services is required to negotiate their cost.

***For more information, contact:***

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