



HEALTH CARE AND HUMAN SERVICES POLICY, RESEARCH, AND CONSULTING - WITH REAL-WORLD PERSPECTIVE.

Comparing Recent House and Senate Health Reform Proposals

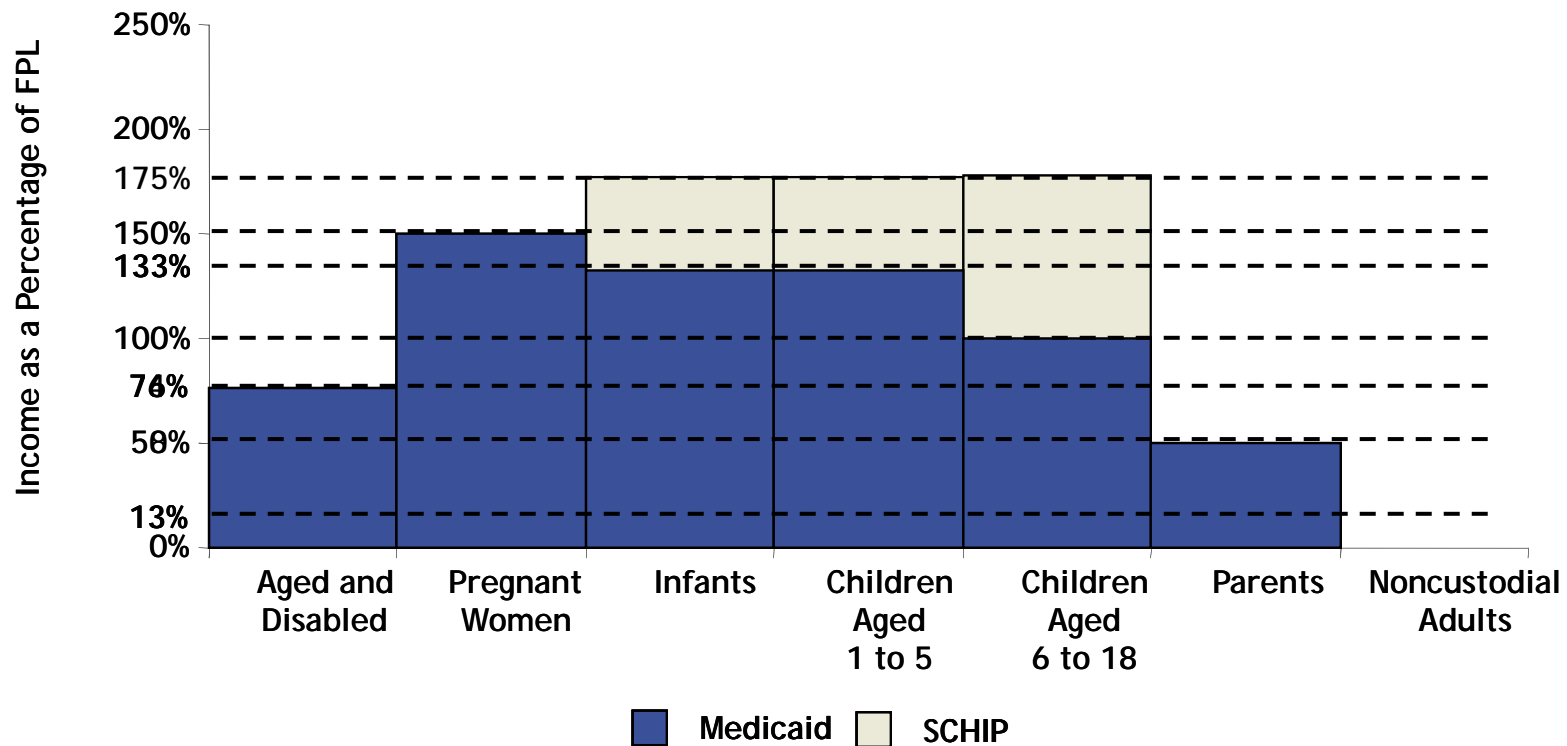
Montana HealthCare Forum Conference
Montana Chamber of Commerce

November 19, 2009

Comparison of Health Reform Bills Now Before Congress

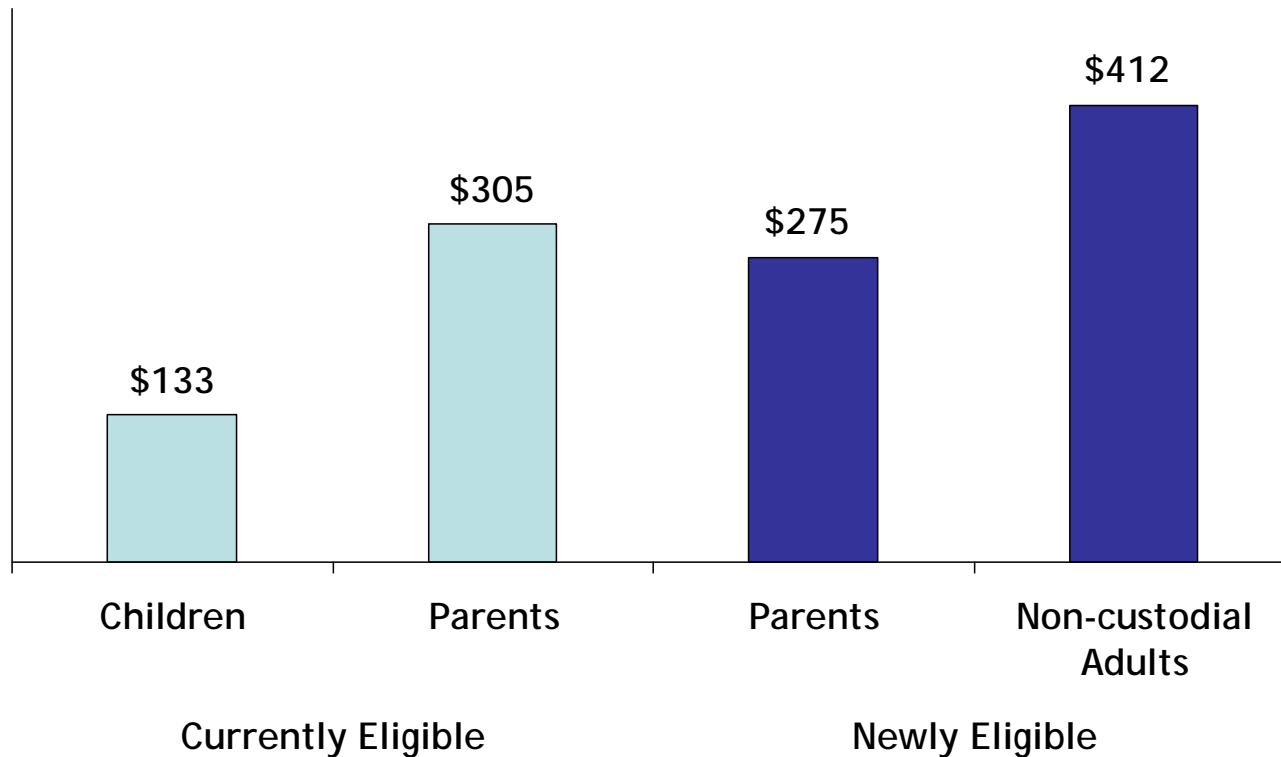
	Senate Finance	House Bill
Employer Penalty	Up to \$400 per full-time worker	8% of payroll
Individual Mandate	Unless premiums >8% income	Unless premiums >12% income
Individual Penalty	\$750 per adult	2.5% of income capped at premium amount
Medicaid Eligibility	133% of FPL	150% of FPL
Premium & Cost Sharing Subsidies	400% FPL, 2-12% cap as % of income	400% FPL, 1.5-12% cap as % of income
Guarantee Issue	YES; No Lifetime Limits	YES; No Lifetime Limits
Rating Restrictions	4:1 on Age	2:1 on Age
Public Plan	NONE	Negotiated Rates; Open to Firms < 100 Workers by 2017

Medicaid and SCHIP Eligibility for Montana Under Current Law



a/ Figures roughly based upon average income eligibility levels across states by eligibility group.
Source: CMS program data.

Estimated Cost Per Adult Per Month Under a Medicaid Expansion for Adults in 2011



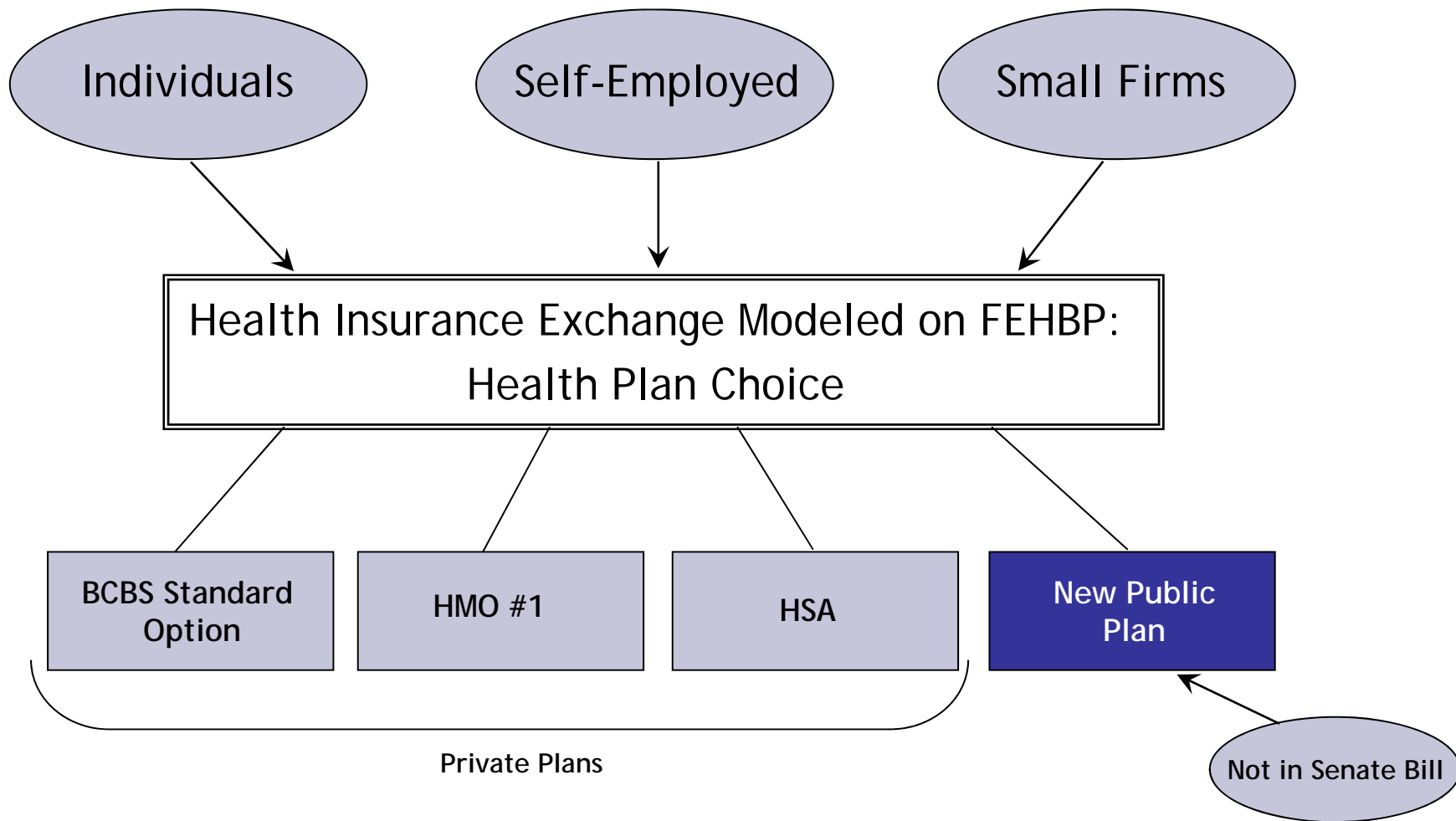
Changes in Medicaid and CHIP Spending Under the House and Senate Bills Assuming Full Implementation in 2011

	Senate Bill				House Bill			
	New Enrollment	Total Cost (millions)	Federal Matching Percentage	State Share (millions)	New Enrollment	Total Cost (millions)	Federal Matching Percentage	State Share (millions)
Currently Eligible								
Children	2,400	\$3.8	67.4%/77.2%	\$1.2	3,700	\$5.9	67.4%/77.2%	\$1.9
Parents	5,300	\$19.4	67.4%	\$6.3	5,300	\$19.4	67.4%	\$6.3
Total	7,700	\$23.2	--	\$7.6	9,000	\$25.3	--	\$8.2
Newly Eligible								
Parents	14,300	\$47.2	95.0%	\$2.4	18,100	\$59.7	91.0%	\$3.0
Non-custodial Adults	48,800	\$241.3	95.0%	\$12.1	53,700	\$265.5	91.0%	\$13.3
Total	63,100	\$288.5	95.0%	\$14.4	71,800	\$325.2	91.0%	\$16.3
Total Changes								
Total	70,800	\$311.7	--	\$22.0	80,800	\$350.5	--	\$24.5

Change in State and Federal Medicaid Spending under the House and Senate Bills Excluding DSH : 2010-2019

	Senate Bill			House Bill		
	Total	Federal	State	Total	Federal	State
2010	-\$1.1	-\$0.6	-\$0.5	\$7.0	\$3.9	\$3.1
2011	-\$2.2	-\$1.2	-\$1.0	\$14.6	\$31.7	-\$17.1
2012	-\$3.0	-\$1.7	-\$1.3	\$15.4	\$8.6	\$6.8
2013	-\$7.2	-\$4.1	-\$3.2	\$36.5	\$29.3	\$7.1
2014	\$16.0	\$17.6	-\$1.6	\$71.0	\$61.2	\$9.8
2015	\$50.7	\$49.0	\$1.7	\$83.4	\$72.3	\$11.0
2016	\$62.0	\$59.1	\$2.9	\$87.0	\$76.3	\$10.7
2017	\$68.1	\$64.2	\$3.9	\$93.6	\$82.2	\$11.4
2018	\$73.8	\$69.2	\$4.6	\$99.2	\$87.6	\$11.6
2019	\$76.9	\$72.4	\$4.5	\$107.7	\$94.8	\$12.9
2010-2019	\$333.9	\$323.9	\$10.0	\$615.2	\$548.0	\$67.2

New Health Insurance Exchange under Reform Proposal



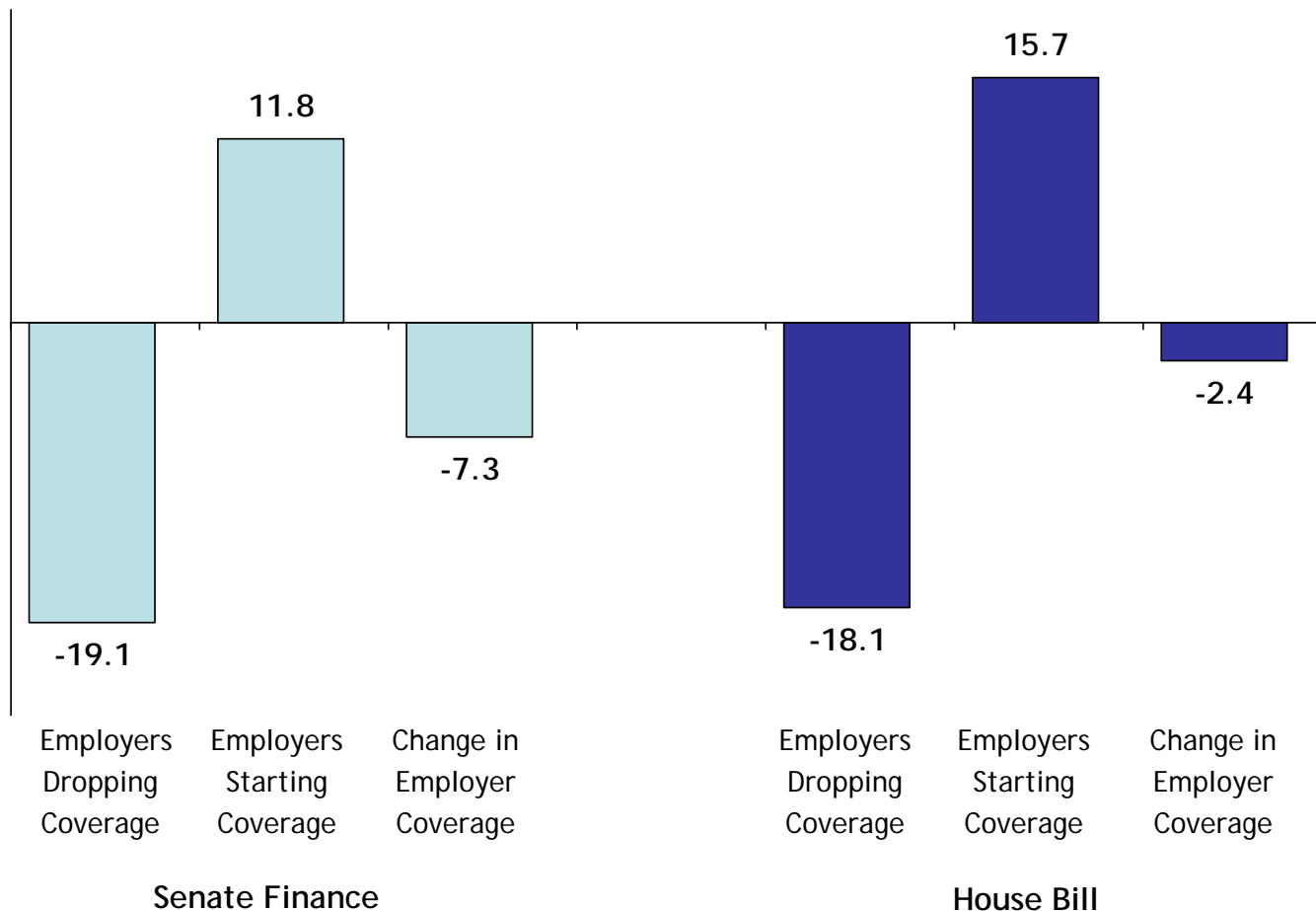
Illustrative Cost Sharing Amounts Consistent with Actuarial Valuation of Health Plan Options

	Minimum Benefits Packages		
	Without Cost Sharing	Senate Finance "Bronze" package	House Bill "Basic" Package
Actuarial Value	1.0	.65	0.70
Hospital Deductible	\$0	\$2,500	\$1,500
Hospital Coinsurance	0%	30%	25%
Medical Deductible			
Single	\$0	\$2,500	\$1,500
Family	\$0	\$5,000	\$3,000
Medical Coinsurance	0%	35%	25%
Prescription Drugs	0%	35%	25%
Preventive Care	0%	0%	0%
Out-of-Pocket Limit			
Single	\$0	\$5,950	\$5,000
Family	\$0	\$11,900	\$10,000
Per Member Per Month (PMPM) in 2011	\$424	\$275	\$297

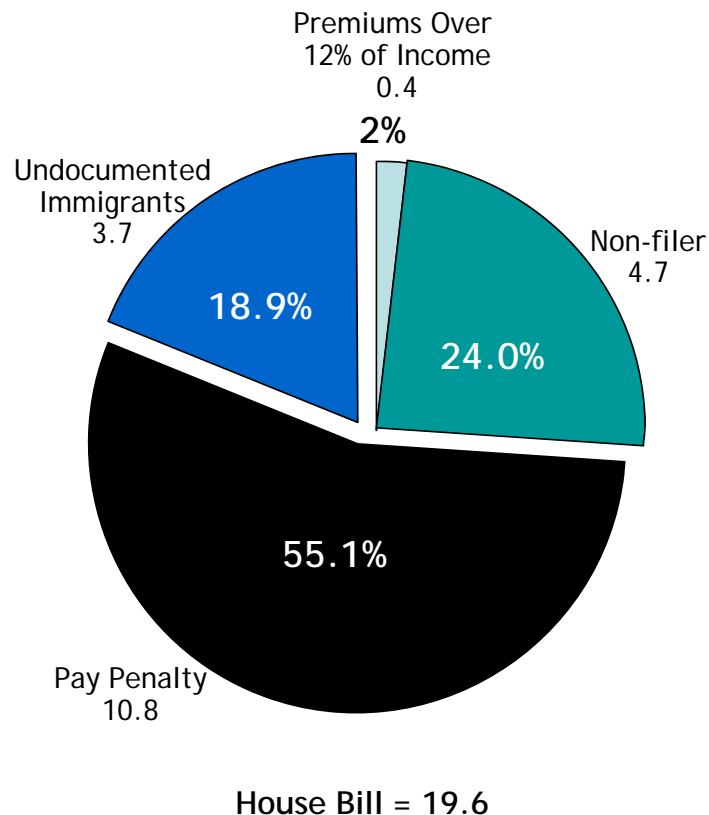
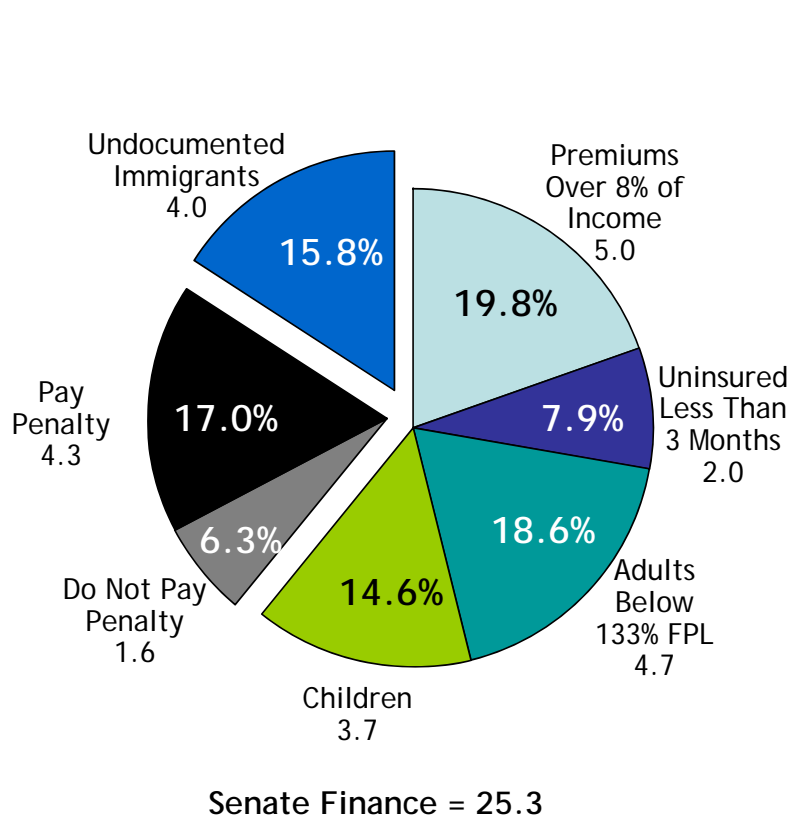
Changes in Sources of Coverage under the House and Senate Finance Bills (millions)

	Senate Finance	House Bill
Changes in Sources of Coverage (millions)		
Medicaid Enrollment	14.1	11.8
Public Plan Enrollment	n/a	19.1
Private Health Insurance	9.8	-1.4
Change in Uninsured	-23.9	-29.5

Changes in Employer Coverage under House and Senate Bills Assuming Full Implementation in 2011 (millions)



People Who Remain Uninsured under the House and Senate Finance Committee Proposals (millions)

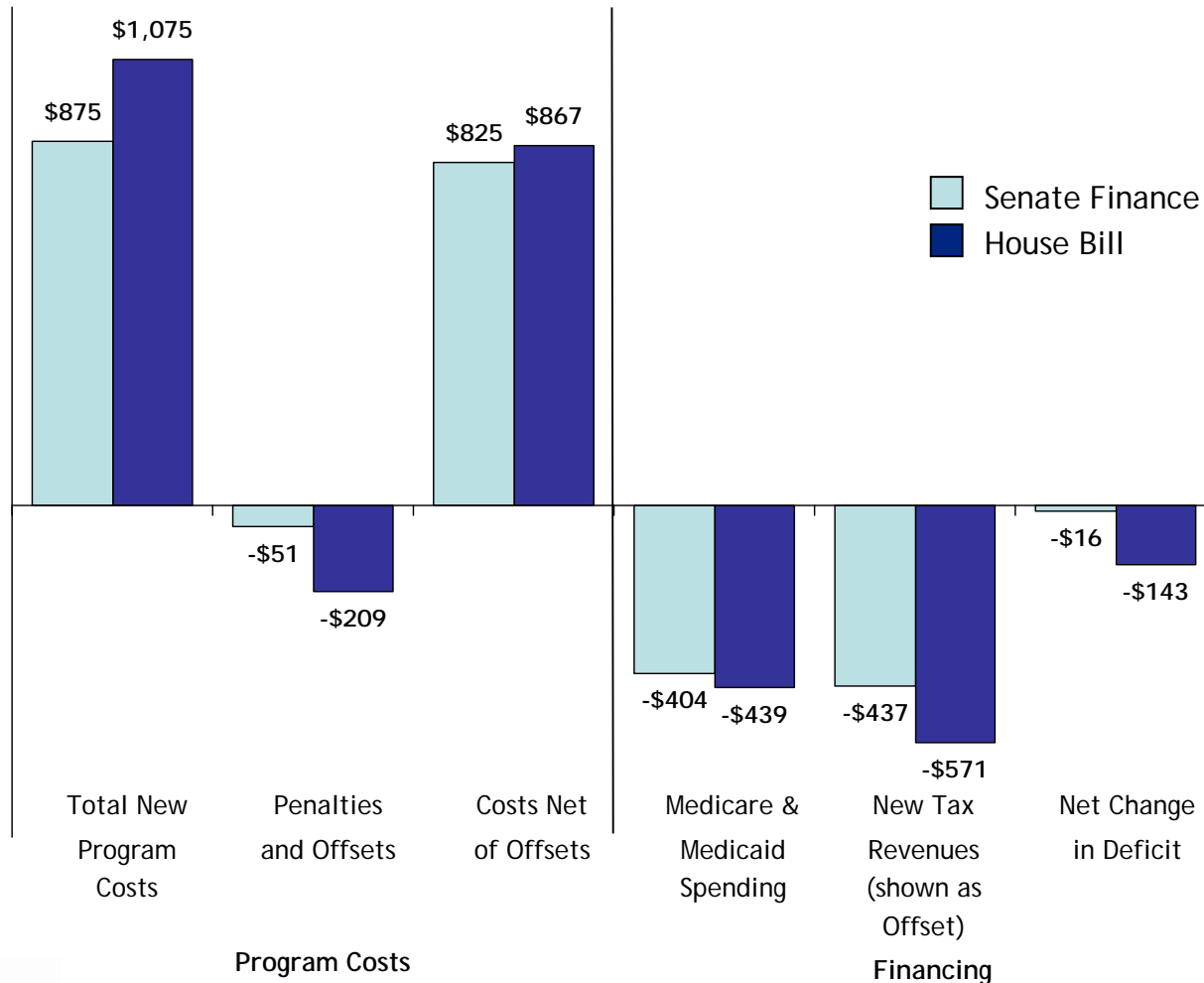


Total Remaining Uninsured

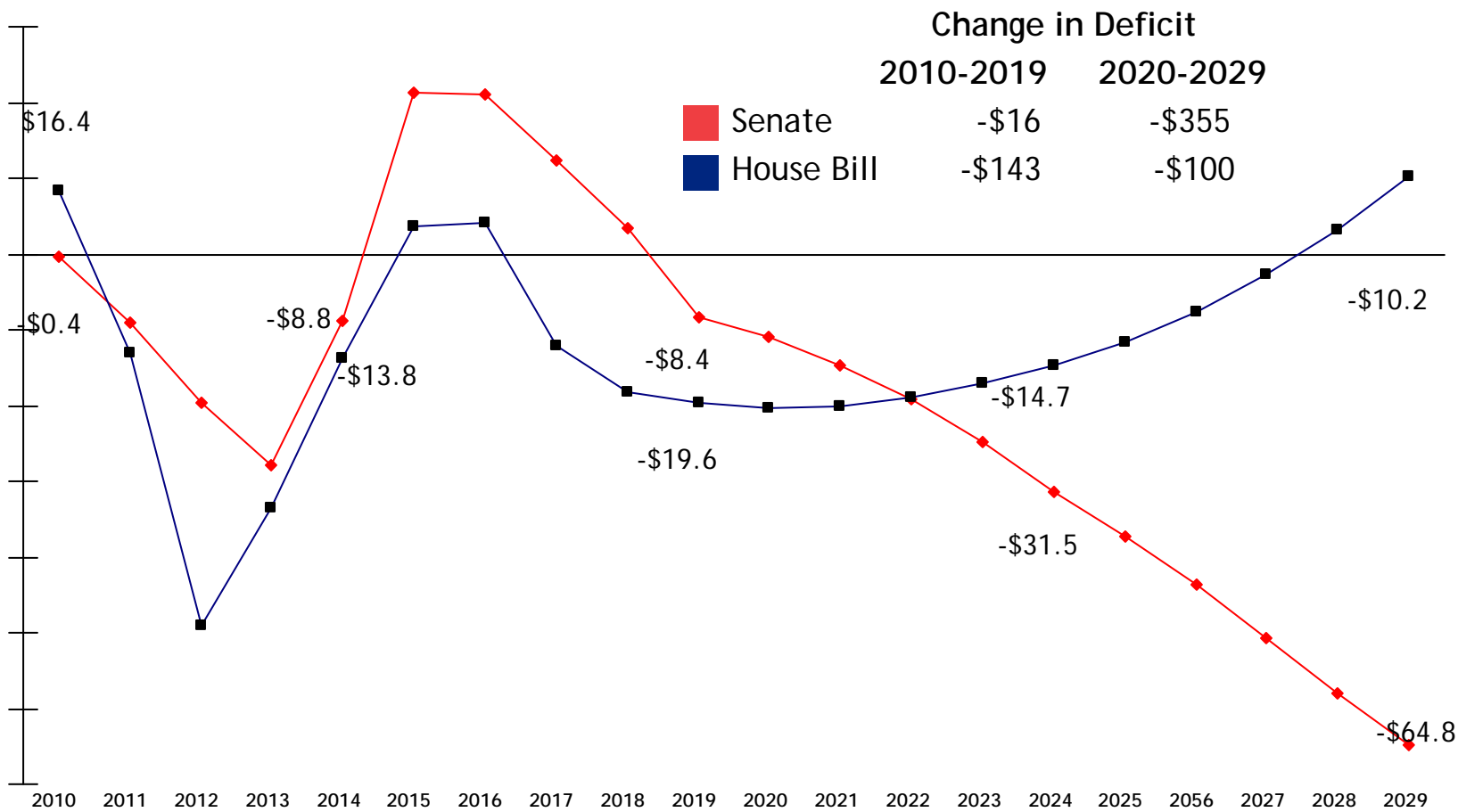
Federal Costs and Revenues for House and Senate Bills: 2010 - 2019

	Senate Finance	House Energy & Commerce
New Program Costs	\$875.3	\$1,075.4
Medicaid Eligibility Expansion	\$329.4	\$443.9
Premium Subsidies	\$505.7	\$576.8
Employer Tax Credit	\$27.2	\$36.7
Retiree Reinsurance Program	\$5.0	\$10.0
Rise Pools and Other	\$8.0	\$8.0
Program Offsets	\$50.6	\$208.6
Employer Penalties	\$64.8	\$264.7
Penalties for Uninsured	\$17.6	\$41.7
Changes in Other Federal Programs	-\$18.9	\$4.1
Taxes on Changes in Wages	-12.9	-\$102.9
Program Costs Less Offsets	\$824.7	\$866.9
Medicare and Medicaid Payment Reforms	-\$404.2	-\$439.1
Revenues From New Taxes	\$436.5	\$571.0
Net Federal Cost of Reform	-\$15.9	-\$143.2

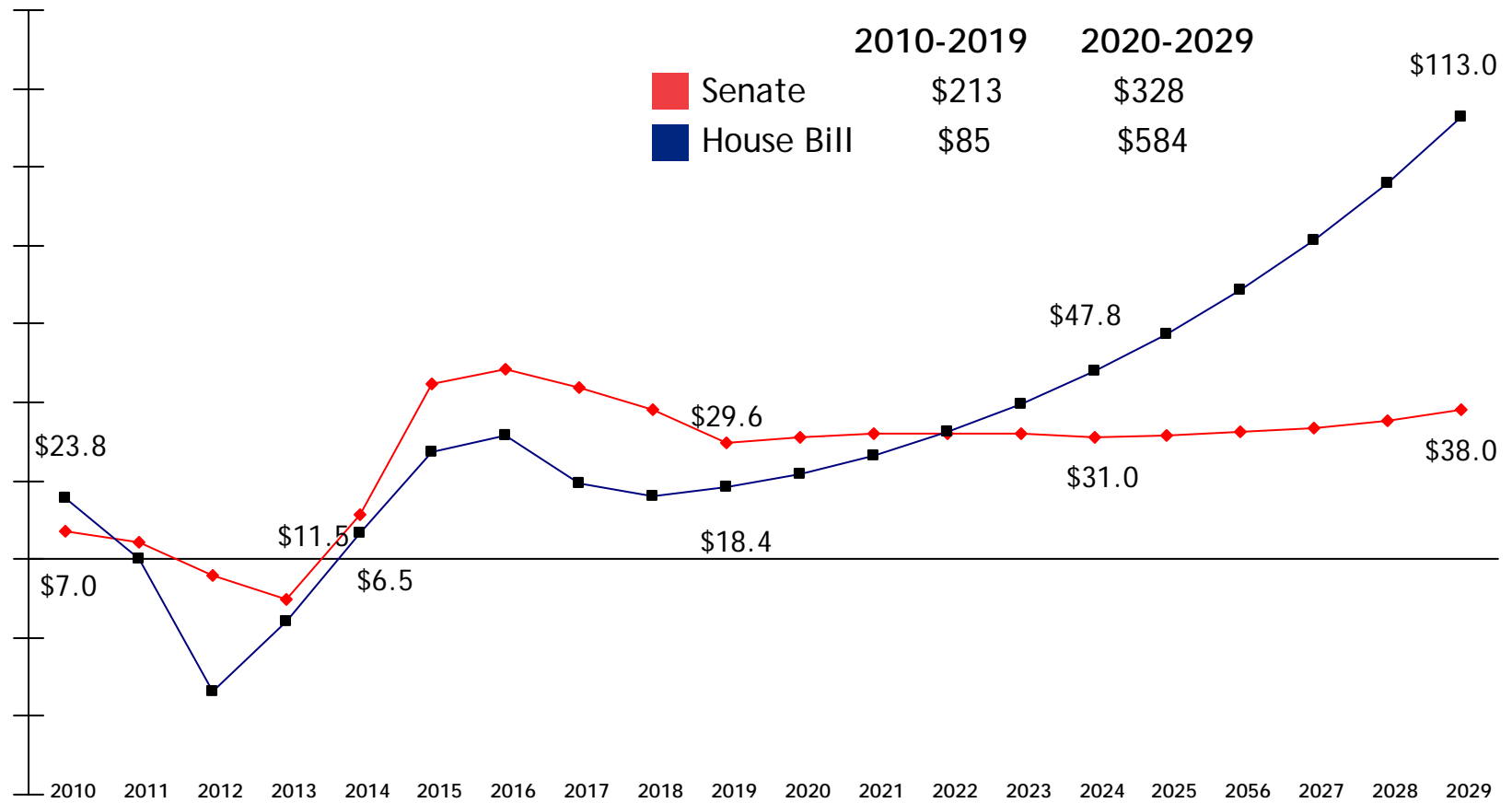
Federal Costs and Revenues for House and Senate Bills: 2010-2019



Change in Federal Deficit under the House and Senate Bills: Without SGR Correction

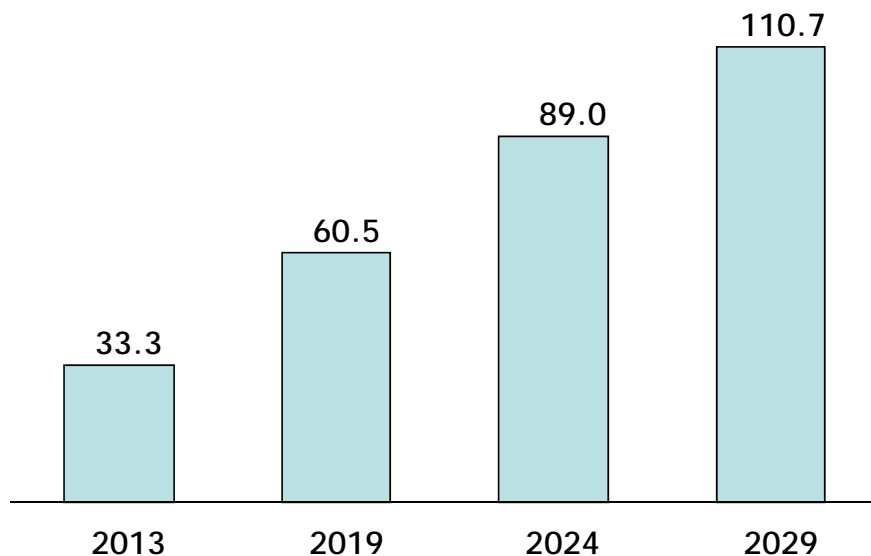


Change in Federal Deficit under the House and Senate Bills: With SGR Correction

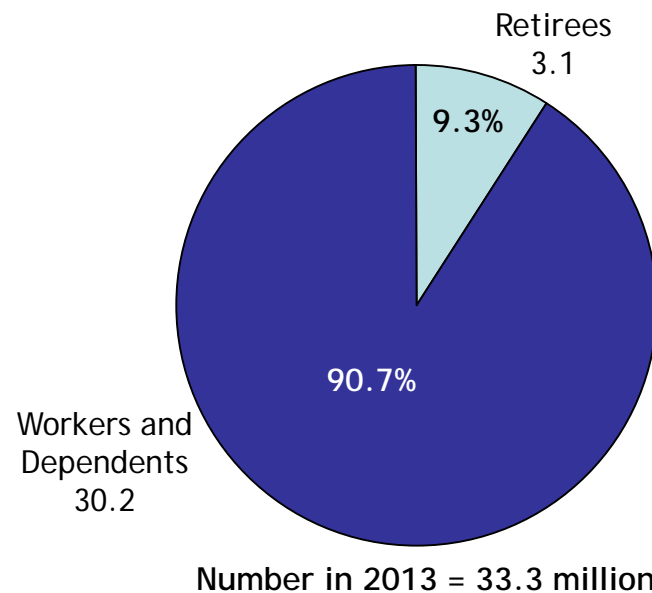


Number of People with Policies subject to the Excise Tax on High-Cost Health Plan Thresholds (millions)

Number of High Cost Plans

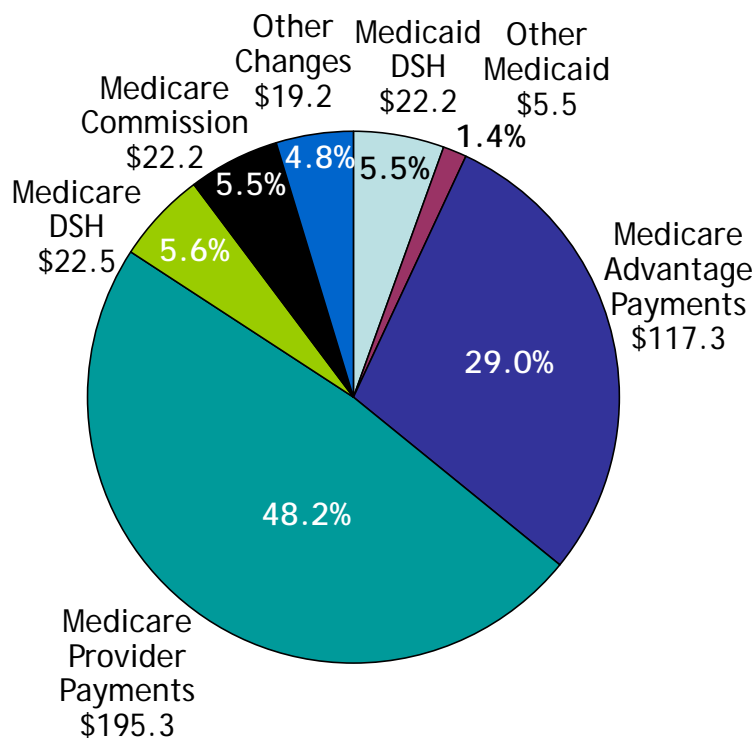


Type of Beneficiary



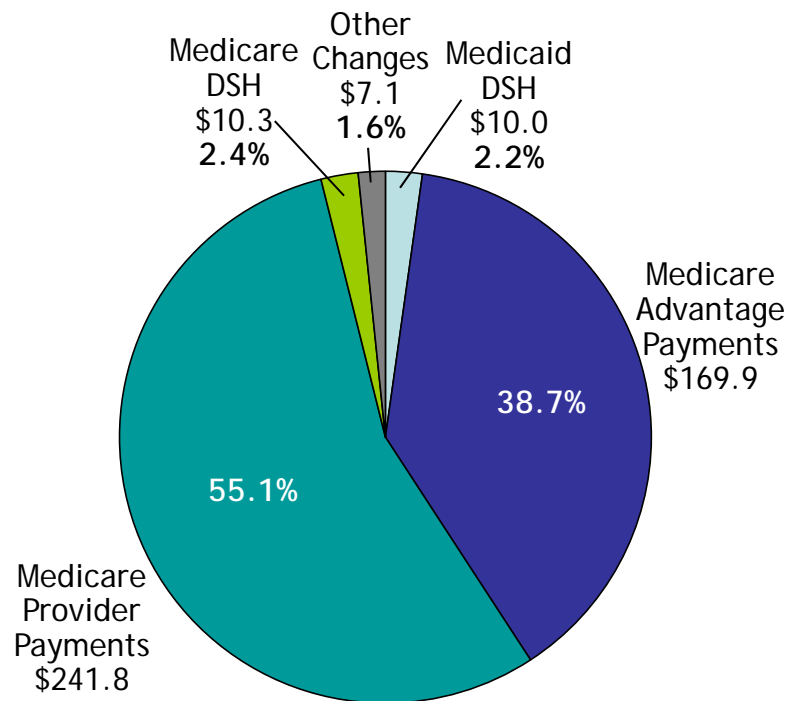
Medicare and Medicaid Savings under the House and Senate Bills: 2010-2019

Senate Bill



Medicare and Medicaid Spending Reductions = \$404.2

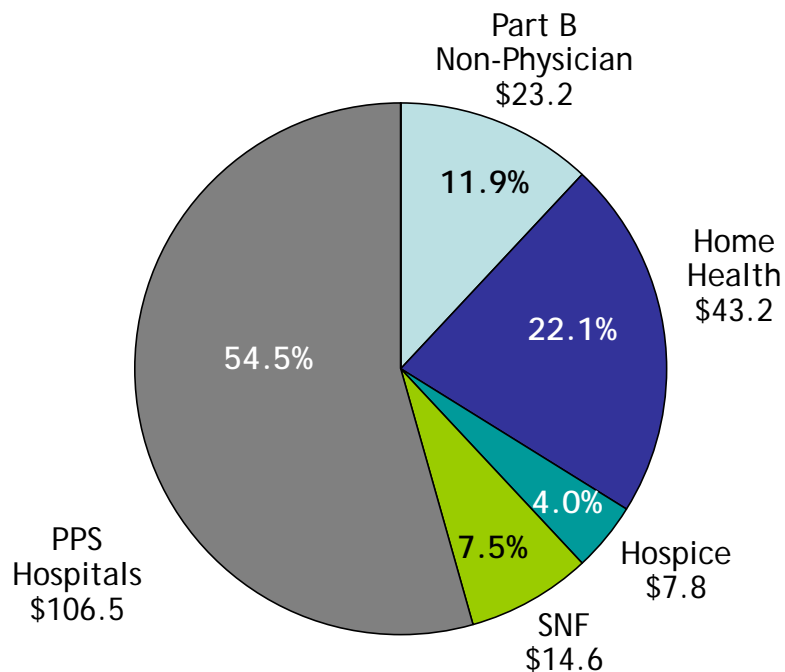
House Bill



Medicare and Medicaid Spending Reductions = \$439.1

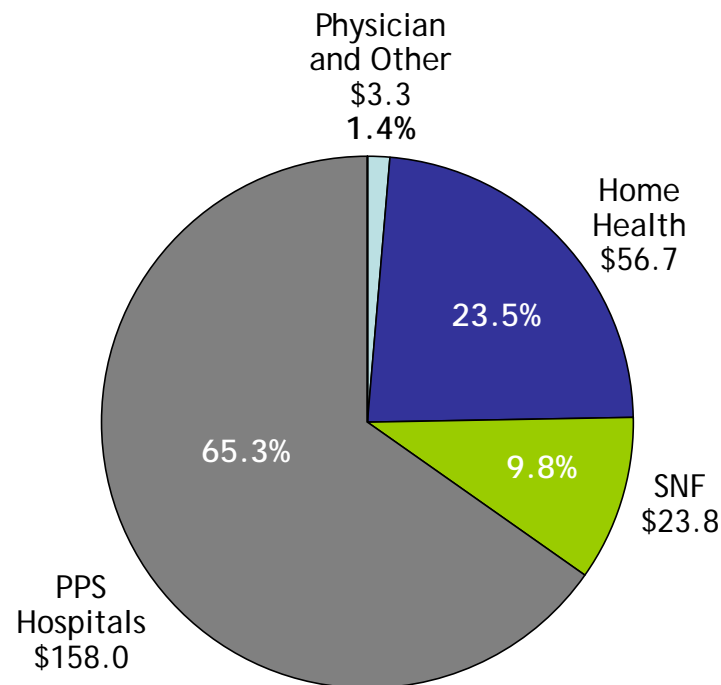
Provider Payment Reductions for Medicare under the House and Senate Bills: 2010-2019

Senate Bill



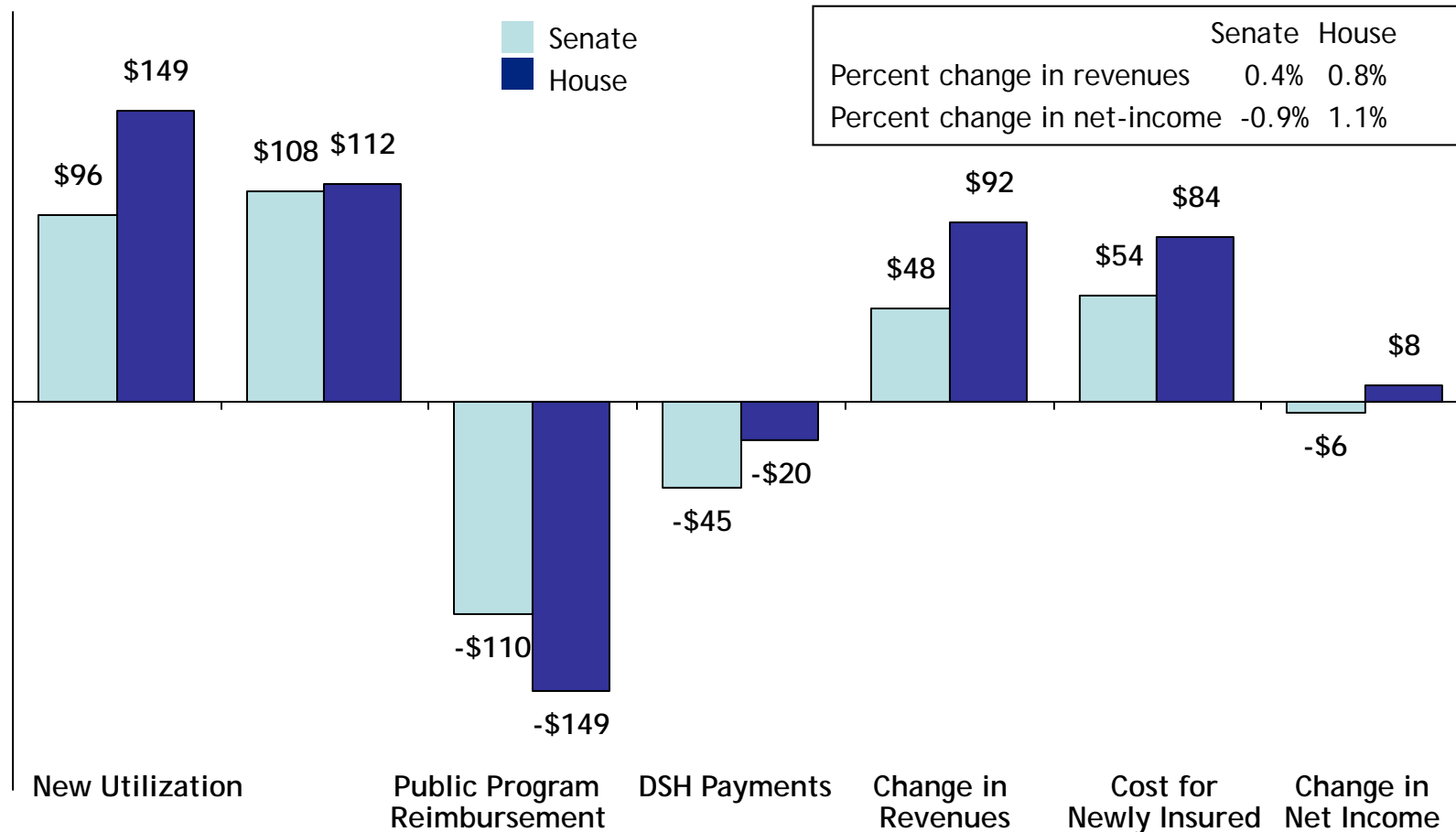
Medicare Provider Payment Reductions = \$195.3

House Bill

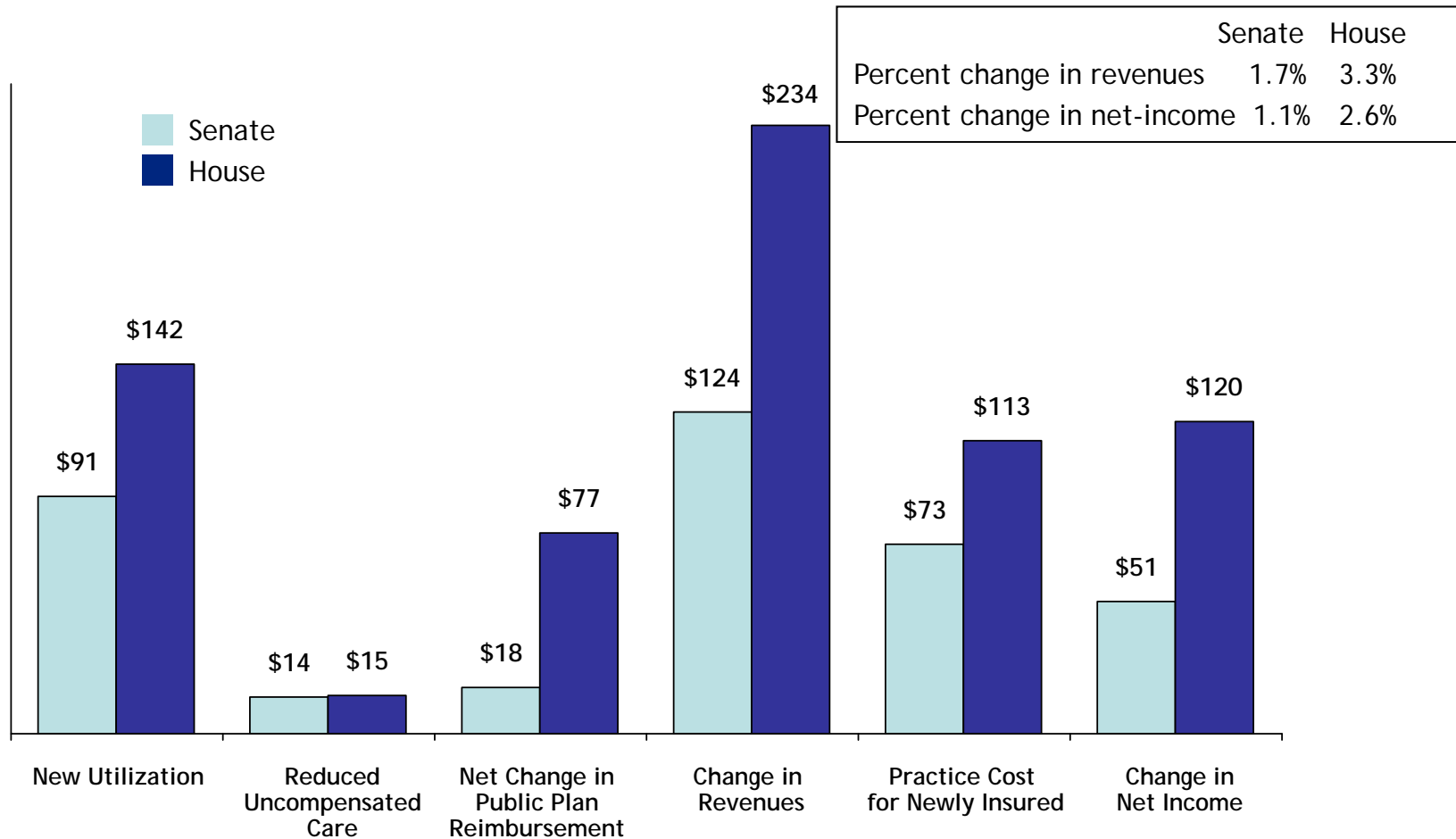


Medicare Provider Payment Reductions = \$241.8

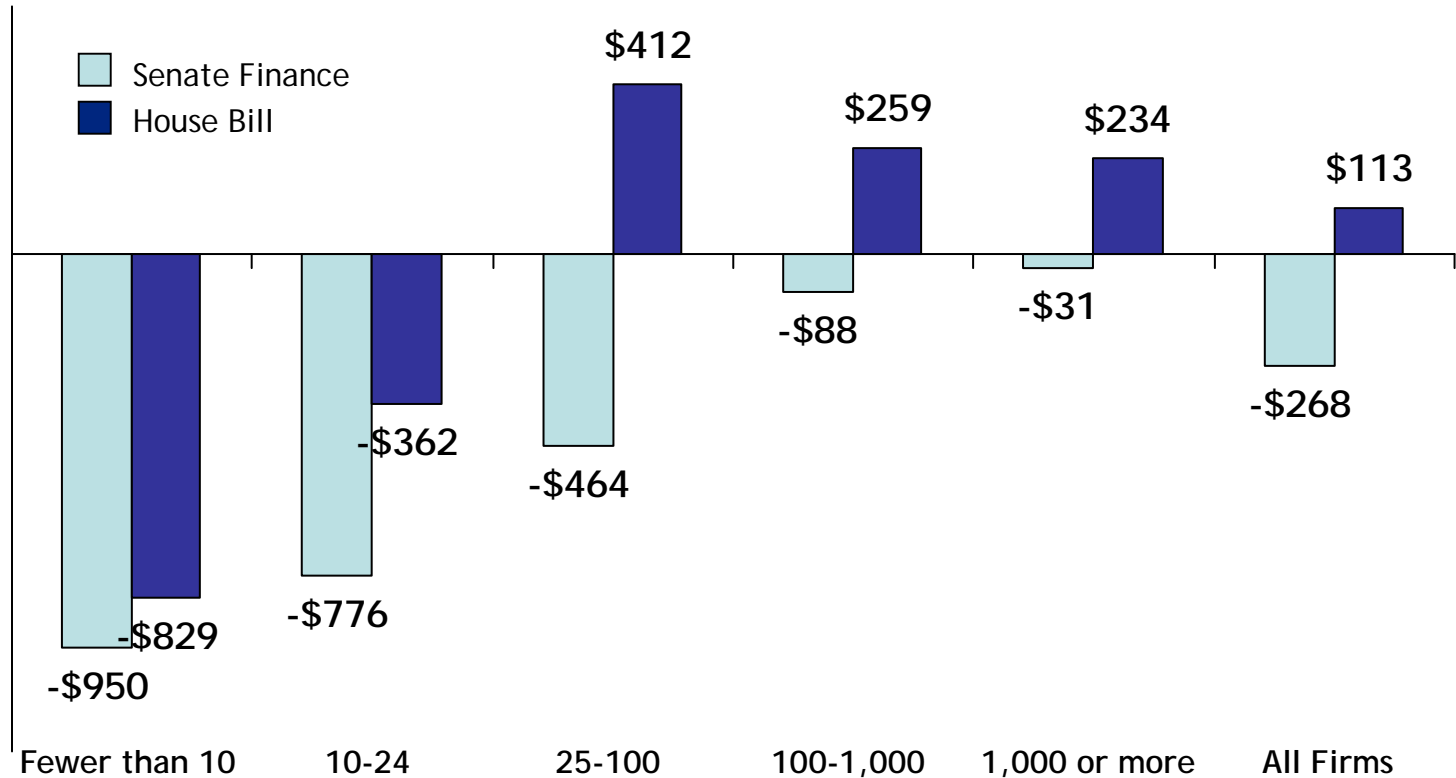
Change in Hospital Revenues and Net-Income under the House and Senate Bills: 2010-2019



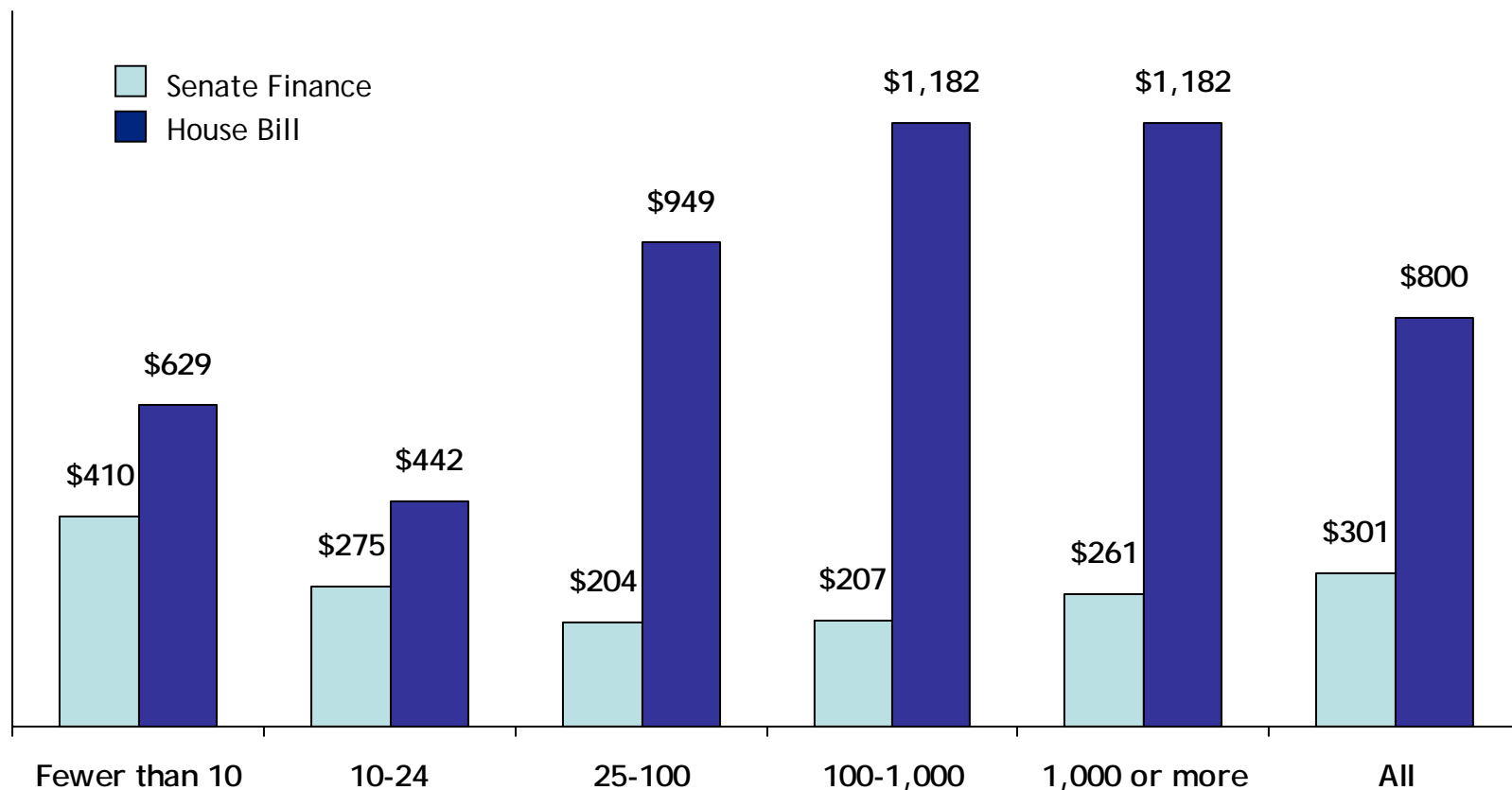
Change in Physician Revenues and Net-Income under the House and Senate Bills: 2010-2019



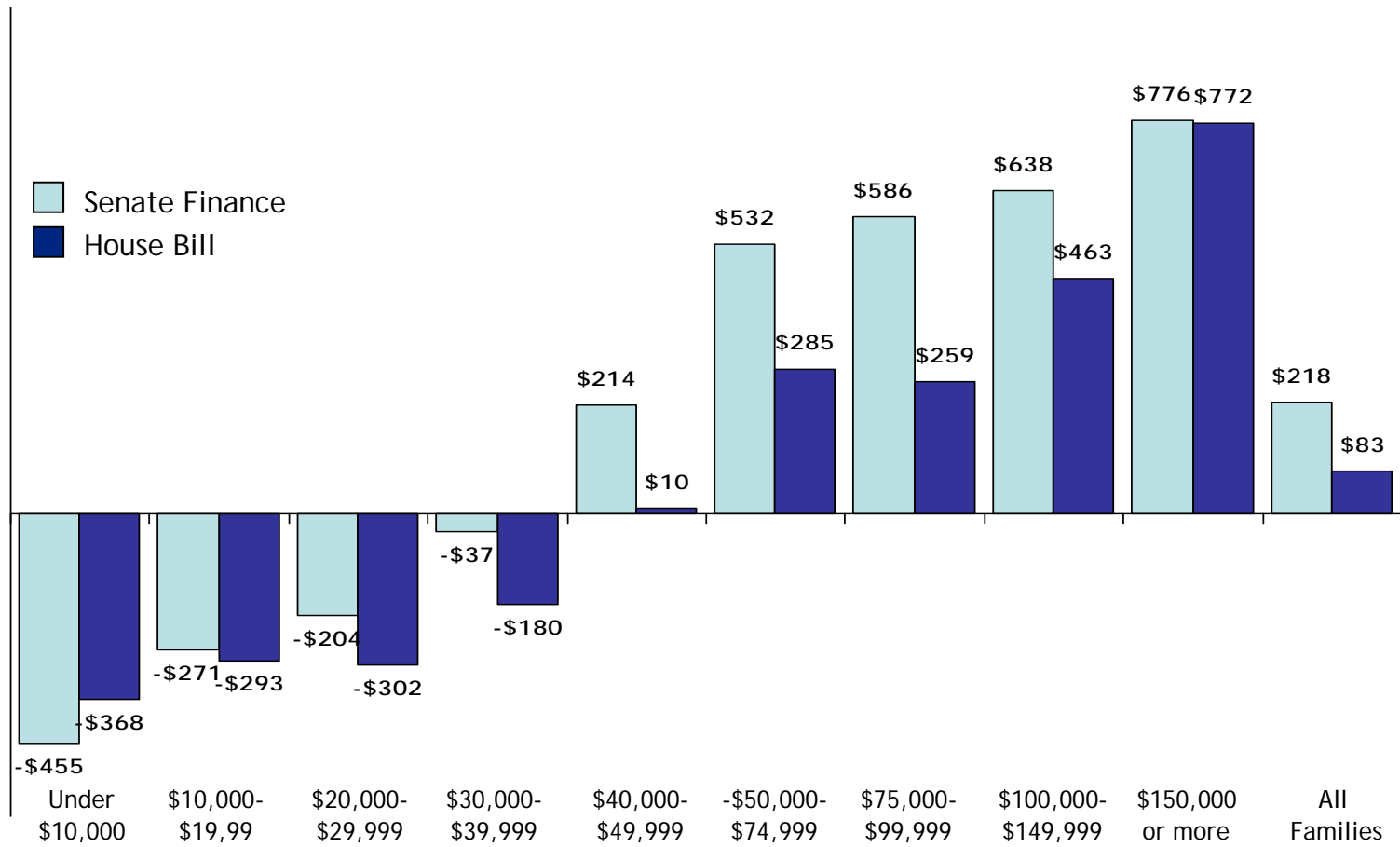
Change in Private Employer Health Spending Per Worker under the House and Senate Bills for Currently Insuring Firms



Change in Private Employer Health Spending per Worker under the House and Senate Bill for Currently Non-Insuring Firms

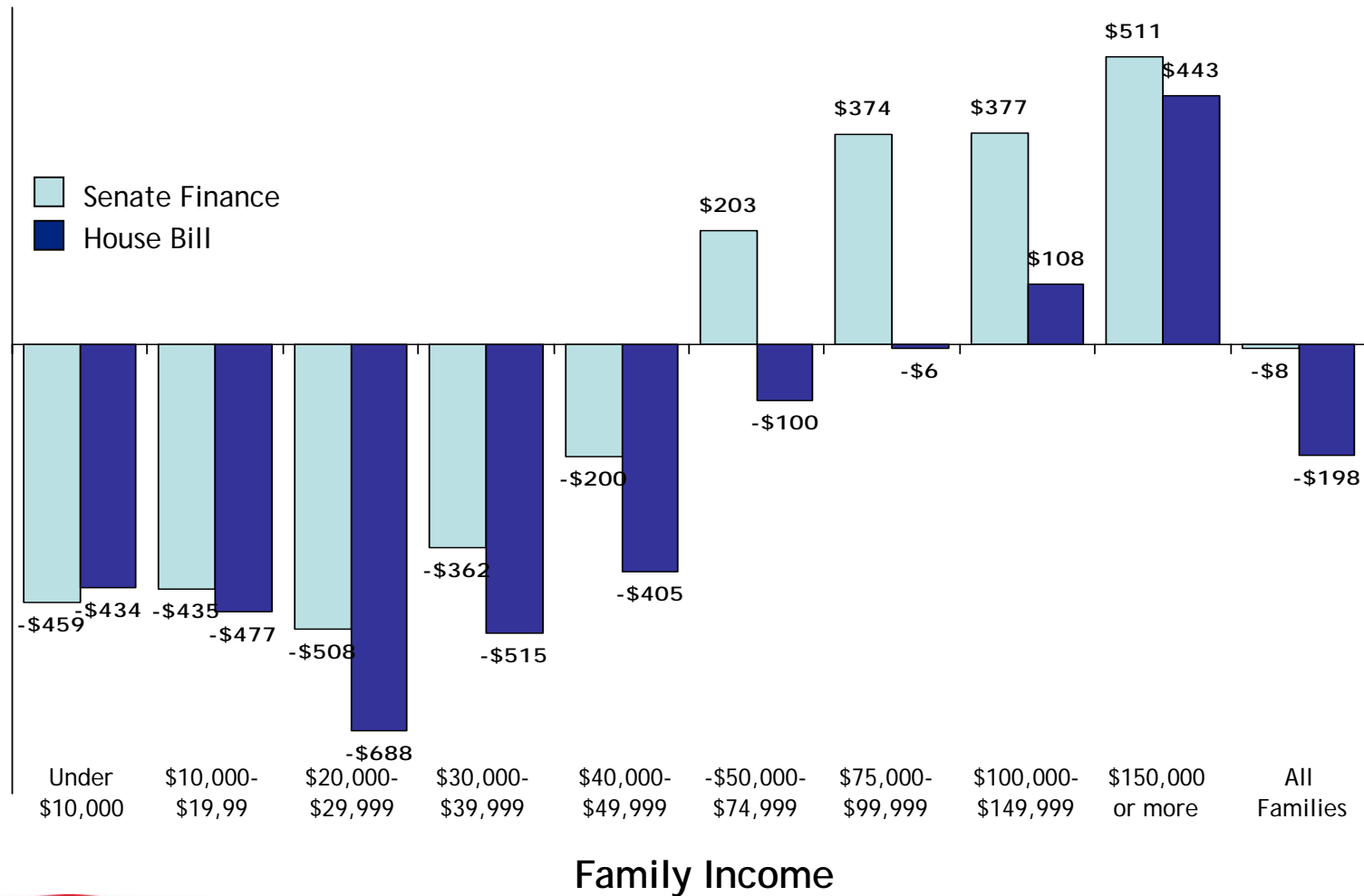


Changes in Average Family Health Spending by Income under House and Senate Health Reform Bills in 2011

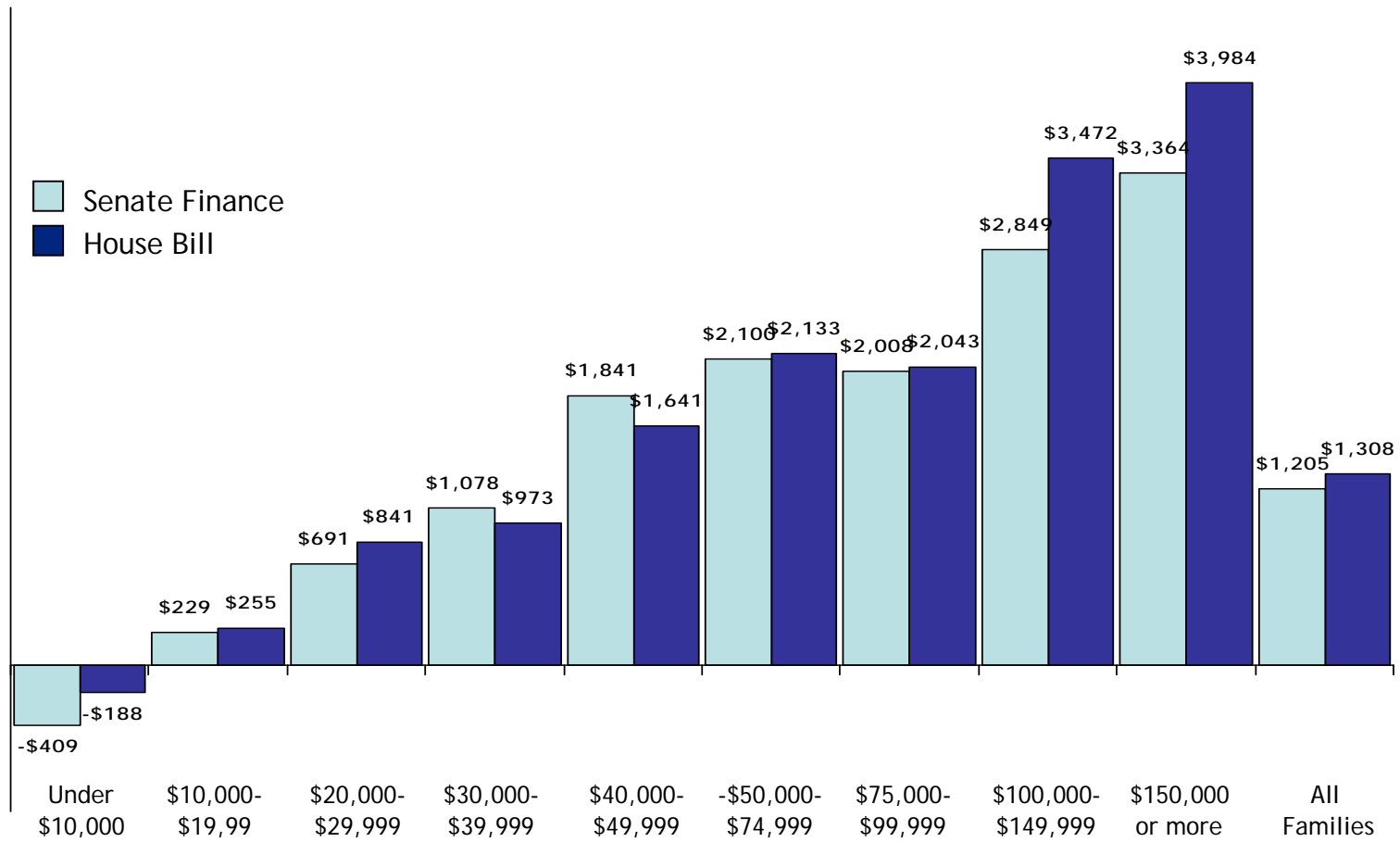


Family Income

Changes in Average Family Health Spending For Currently Insured Families under the House and Senate Health Reform Bills in 2011



Changes in Average Family Health Spending for Families Currently with Uninsured Members under House and Senate Health Reform Bills in 2011



Family Income