

Health Reform: Comparison of House and Senate Bills

	House Bill (HR 3962)	Senate Bill (HR 3590)
Status	Passed	Passed
Cost	Net ~ \$894 B	~ \$871 B
Increased Coverage	36 million	31 million
Primary Funding Mechanism	<ul style="list-style-type: none"> • Taxes top end of income distribution • Penalties levied on individuals and businesses who don't comply with mandate 	<ul style="list-style-type: none"> • Taxes on "Cadillac" plans • Savings from delivery system • Fees on industry participants
Coverage Expansion		
Individual Mandate	<ul style="list-style-type: none"> • Penalizes uninsured individuals 2.5% of income up to cost of coverage 	<ul style="list-style-type: none"> • The greater of \$750 per uninsured adult by 2016 or 2% of income capped at the national average "bronze" plan premium
Employer Responsibility	<ul style="list-style-type: none"> • Exempts employers with payrolls under \$500K • Penalizes employers 8% of payroll if they don't contribute 72.5% of the premium for individuals; 60% for families 	<ul style="list-style-type: none"> • Required to pay a flat fee of \$750 for any employee receiving eligibility subsidies
Medicaid Expansion	<ul style="list-style-type: none"> • Expands to 150% of federal poverty level (FPL) <ul style="list-style-type: none"> • Feds pay 100% of cost through 2014, then 91% thereafter 	<ul style="list-style-type: none"> • Expands to 133% of FPL
Subsidies	<ul style="list-style-type: none"> • Sliding scale subsidies up to 400% FPL 	<ul style="list-style-type: none"> • Sliding scale subsidies up to 400% FPL

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Insurance Market Reform		
Underwriting	<ul style="list-style-type: none"> • 2:1 premium variance based on age • Covers dependents up to 26 • Guaranteed issue 	<ul style="list-style-type: none"> • 3:1 premium based on age • Guaranteed issue
Public Option	<ul style="list-style-type: none"> • HHS required to negotiate rates with providers • Providers may opt out 	<ul style="list-style-type: none"> • Removed from the bill and replaced with a scheme similar to the Federal Employee Benefit Program that will be administered by the federal Office of Personnel Management and offered through the exchange
Insurance Cooperatives	<ul style="list-style-type: none"> • Provides start-up funding for states to offer through exchange 	<ul style="list-style-type: none"> • Provides start-up funding for co-ops in each state • Offered through the exchange
Insurance Exchange	<ul style="list-style-type: none"> • Federal exchange • Eligibility by employer size: 2013—25 FTEs; 2014—50 FTEs; 2015 and after—100 FTEs 	<ul style="list-style-type: none"> • State exchanges • Open initially to individuals and small businesses with up to 100 FTEs; 100 or > at the discretion of each state in 2017
Payment Cuts		
DSH Payment Reduction	<ul style="list-style-type: none"> • Estimated \$20.3B reductions 	<ul style="list-style-type: none"> • Estimated \$43B in reductions for Medicare and Medicaid
Market Basket Updates	<ul style="list-style-type: none"> • Implements productivity reductions 	<ul style="list-style-type: none"> • Implements productivity adjustments and reduces the MBU; estimated savings \$103B

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Delivery System Reforms		
MedPAC with Rate-Setting Authority		<ul style="list-style-type: none"> Includes a MedPAC-like body with rate-setting authority; excludes hospitals through 2019
Value-Based Purchasing		<ul style="list-style-type: none"> Reduces payment to facilities with lower than average quality, providing bonus payments to high-quality facilities; budget neutral
Readmissions Policy	<ul style="list-style-type: none"> Reduces reimbursement for all MS-DRGs based on higher than average readmission rates 	<ul style="list-style-type: none"> Reduces reimbursement for all MS-DRGs based on higher than average readmission rates
Innovative Payment System Pilots	<ul style="list-style-type: none"> Establishes pilots for bundled payments and accountable care organizations 	<ul style="list-style-type: none"> Establishes pilots for bundled payments and accountable care organizations
Imaging Services	<ul style="list-style-type: none"> Increases advanced imaging practice expense utilization 	<ul style="list-style-type: none"> Increases advanced imaging practice expense utilization
Other Reforms		
Malpractice Reform	<ul style="list-style-type: none"> Provides incentive payments to states with alternative medical liability laws 	<ul style="list-style-type: none"> Authorizes HHS to award grants to states for the evaluation of alternatives to the current tort system
Comparative Effectiveness	<ul style="list-style-type: none"> Creates center for CER within AHRQ to conduct and disseminate broad research with public/private funding Silent on cost effectiveness 	<ul style="list-style-type: none"> Creates a private, nonprofit Patient-Centered Outcomes Research Institute to set national research agenda and conduct clinical effectiveness research