



What Does H.R. 3962 Mean for the Coverage of California's Families?

About one in every five Californians goes without health insurance, millions more have inadequate insurance, and countless more struggle with accumulating medical bills and discriminatory practices by insurers.

The health reform bill in the House of Representatives, H.R. 3962, *Affordable Health Care for America Act of 2009*, would provide virtually every Californian with affordable health insurance, either on the job, through a newly created Health Exchange, through a Public Option, from Medi-Cal or improved Medicare benefits.

Preliminary analyses of H.R. 3962 indicate that most Californians would keep the coverage they currently have, almost 2 million (mostly low-income adults without children under 18) would become newly eligible for Medi-Cal, and over 4 million Californians would be able to purchase coverage in the newly-created Health Insurance Exchange (most with the help of affordability credits).

➤ **H.R. 3962 would assure Californians have affordable, quality coverage.**

- ◆ **Strong consumer protections and real benefits:** Health insurers cannot deny coverage because of pre-existing conditions, and all health insurance will have robust benefits similar to those paid for by most large employers.
- ◆ **Affordable coverage:** No one will ever spend more than 12% of their income on premiums and \$5,000 on copayments or deductibles—and most people who make less will spend less.
- ◆ **Health insurance will be available and affordable** regardless of major life changes such as loss of your job, divorce, aging off your parents' coverage, cancer, etc...

➤ **H.R. 3962 would insure virtually all (96%) Californians, dramatically reducing the number of uninsured by more than 5.3 million uninsured over the next decade (by 2019).**

- ◆ **Expanding coverage:** Californians would get coverage on the job, through an expansion of Medi-Cal, through the newly created Health Insurance Exchange, the choice of a Public Health Insurance Option, or through strengthened Medicare.

➤ **H.R. 3962 would reform the health insurance market, protecting consumers from discriminatory premium pricing or denial of coverage due to pre-existing conditions.**

- ◆ **No pre-existing conditions:** No one will ever be denied health insurance because of a pre-existing condition.
- ◆ **No penalty for being sick:** Today 400,000 Californians cannot buy health insurance at any price (usually because of a pre-existing condition). Another 2 million who buy coverage as individuals are forced to pay more if they are older or have a history of illness or chronic conditions, like asthma or diabetes.



- **H.R. 3962 would require employers to share responsibility for coverage by either providing good benefits to all employees or paying their fair share to provide coverage through the Exchange**
 - ◆ **A minimum contribution for health care**, like the minimum wage: Employers would be required either to provide coverage or make a health care contribution for every employee – full-time, part-year, seasonal or intermittent.
 - ◆ **Affordability for small business**: The employer contribution is scaled by the size of payroll with an exemption for the smallest businesses and tax credits for small businesses with low wage workers

- **H.R. 3962 would create a Health Insurance Exchange, including the choice of a public plan option, and offer scaled affordability credits for low- and moderate-income families.**
 - ◆ **A newly created Health Insurance Exchange** would offer affordable coverage with good benefits for almost five million Californians who are currently uninsured, make too much for Medi-Cal, or who buy high cost, low benefit private health insurance.
 - ◆ **Affordability credits** would be available for families with income up to 400% of the Federal Poverty Level (equivalent to \$73,240 for a family of three in 2009) with lower cost sharing and lower premiums for those who make less but basic benefits for all.
 - ◆ **A new Public Option**, a public insurer that would compete with private insurers and offer coverage in rural areas not served by private HMOs, would be created as a choice within the Exchange.

- **H.R. 3962 would strengthen public programs like Medicare and expand Medicaid (Medi-Cal) to the lowest-income adults and children.**
 - ◆ **Medi-Cal eligibility** would be expanded to most all adults and children under 150% of the Federal Poverty Level (equivalent to \$27,465 for a family of three in 2009).
 - ◆ **Expanded Medi-Cal**: Almost 2 million currently uninsured Californians, including over 300,000 children under 18, would become eligible for Medi-Cal, and another 3.8 million low income working families, seniors and persons with disabilities will continue to be eligible for Medi-Cal with no cost sharing.
 - ◆ **Strengthened Medicare**: Over 4 million seniors and Californians with disabilities will keep their Medicare and see it strengthened by the elimination of the Medicare Part D prescription drug “donut hole”.



This factsheet was prepared by Health Access, a statewide coalition of consumer, labor, ethnic, senior, faith, and other organizations that has been dedicated to achieving quality, affordable health care for all Californians for over 20 years. Please visit our website and read our daily blog at www.health-access.org

HEALTH CARE FOR AMERICA NOW!

Health Access is leading the California campaign of Health Care for America NOW! (HCAN), a national grassroots campaign of more than 850 organizations representing 30 million people dedicated to winning quality, affordable health care we all can count on in 2009. Visit www.healthcareforamericanow.org or contact Patrick Romano at promano@health-access.org for more about HCAN.