

# H.R. 3962 - The House Health Bill - Weighs In At 1,990 Pages

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The main House health bill -- H.R. 3962, the Affordable Health Care for America Act -- has arrived.

House Democratic leaders say the 1,990-page AHCAA bill, introduced by Rep. John Dingell, D-Mich., would increase the percentage of U.S. residents with health coverage to 96%, at a cost of about \$894 billion over 10 years.



The Congressional Budget Office estimates that, if implemented as written, the bill would reduce the deficit by about \$30 billion over 10 years, bill backers say.

House Speaker Nancy Pelosi, D-Calif., and other House leaders created H.R. 3962 by combining and revising health bills developed by the House Education and Labor, Energy and Commerce, and Ways and Means committees.

House leaders expect floor debate on the bill to start next week.

## THE PUBLIC OPTION, THE CLASS ACT AND OTHER KEY PROVISIONS

The bill provision that would create a public health insurance option starts on page 211, and the Community Living Assistance Services and Supports provision, which would create a long term care insurance program, starts on page 1,213.

On page 191, the bill states that nothing in the "health insurance exchange related provisions" section of the bill "shall be construed to affect the role of enrollment agents and brokers under State law, including with regard to the enrollment of individuals and employers in qualified health benefit plans including the public health insurance option."

A "shared responsibility" section, which covers both individuals and employers and starts on page 296, would impose a "tax on individuals without acceptable health care coverage." For affected individuals, the tax would equal a maximum of the cost of the average health insurance premium or 2.5% of a taxpayer's adjusted gross income for the year.

The individual responsibility provision has exclusions for non-resident aliens, individuals living outside the United States and individuals who seek a religious exemption from coverage requirements.

The employer responsibility section, which starts on page 308, would impose a tax equal to 8% of employee wages on employers over a minimum size that failed to provide health coverage. The payroll tax would be lower for employers with \$500,000 to \$750,000 in payroll, and 0% for employers with less than \$500,000 in payroll costs.

A McCarran-Ferguson antitrust repeal section, which starts on page 150, would state that nothing contained in McCarran-Ferguson "shall modify, impair, or supersede the operation of any of the antitrust laws with respect to price fixing, market allocation, or monopolization (or attempting to monopolize)" by health insurers or medical malpractice insurers.

But the provision, based on H.R. 3596, the House Judiciary Committee's health antitrust exemption repeal bill, includes an amendment introduced by Rep. Dan Lungren, R-Calif., that states that repeal provision would not apply to collecting historical loss data; determining a loss development factor; "performing actuarial services, if doing so does not involve a restraint of trade"; or the information or rate-setting activities of a state insurance regulator or other state regulator.

#### OTHER BILL PROVISIONS:

Bill backers say the Health Insurance Exchange proposed in the AHCAA bill would sell private coverage, coverage created by a new health insurance co-operative system, and public health insurance option coverage from a new, government-run health plan.

"The public health insurance option will play on a level playing field with private insurers, spurring additional competition," backers say.

The bill also would:

- Forbid plans from basing premiums or denials of care on factors such as pre-existing conditions, race, or gender.
- Limit use of age rating.
- Cap out-of-pocket expenses.
- Require health plans for children to cover dental, hearing and vision care.
- Require health plans offered through the exchange system, and, eventually, employer plans, to cover preventive care at no cost to the patient.
- Close the Medicare Part D prescription drug program "donut hole."

- Provide “affordability credits” to help individuals and families who meet income requirements pay their health insurance premiums.

House Democratic leaders say they will pay for the new costs in the bill by making Medicare and Medicaid more efficient; imposing a tax surcharge the top 0.3% of U.S. households, including married couples with adjusted gross incomes over \$1 million; and adopting “other tax measures.”

The bill does not appear to include the kind of excise tax on insurers of high-cost health plans that was included in the Senate Finance Committee health bill.

#### THE SPONSOR TEAM

Dingell, who introduced the bill, is chairman emeritus of the House Energy and Commerce Committee. The current chairman of the committee, Rep. Henry Waxman, D-Calif., is one of the other lead sponsors of H.R. 3962.

The lead sponsor team also includes House Ways and Means Chairman Charles Rangel, D-N.Y., House Education and Labor Chairman George Miller, D-Calif.; and 3 subcommittee chairmen -- Rep. Pete Stark, D-Calif.; Rep. Frank Pallone, D-N.J.; and Rep. Robert Andrews, D-N.J.

“We have the world’s best doctors and nurses, but because millions of our people have no access to the care they provide, we’ve become the unhealthiest industrialized nation on the globe,” Dingell says in a statement about the bill. “That is about to change because of H.R. 3962.”

- MORE TO COME -