



This brief side-by-side summary includes the key HR provisions included in the new health care reform law and the pending Reconciliation bill.

**\*\*As of March 24, 2010\*\***

<b>Provision</b>	<b>H.R. 3590, the Patient Protection and Affordable Care Act, signed into law 03/23/10</b>	<b>H.R. 4872, the Reconciliation Act of 2010, passed the House on 03/21/10, pending in the Senate</b>
<b>Individual Responsibility</b>	Yes, requires U.S. citizens to maintain minimum essential coverage beginning in 2014. Individuals who do not purchase coverage will pay the greater of \$95 in 2014, \$495 in 2015 and \$750 in 2016, or up to two percent of income by 2016. Families will pay half the amount for children up to a cap of \$2,250 for the entire family. After 2016, dollar amounts will increase by the annual cost of living adjustment.	Decreases the flat dollar amounts from \$495 to \$325 in 2015 and from \$750 to \$695 in 2016. Raises the percentage of income assessment from 0.5% to 1% in 2014 and up to 2.5% in 2016 and subsequent years.
<b>Employer Responsibility</b>	No requirement to offer coverage, but all employers with more than 50 full-time employees that do not offer coverage (and have at least one full-time employee receiving the premium assistance tax credit) would be required to make a payment of \$750 per FTE to the government. If an employee opts out of an employer plan because the premium would exceed 9.8 percent of the employee's income and receives a tax credit, the employer assessment would be the lesser of \$3,000 for each employee receiving a premium credit or \$750 for each full-time employee. Employer health care coverage must have an actuarial of at least 60 percent or penalties are assessed.	Amends "free rider" assessment to require employers not offering coverage to pay \$2,000 per FTE for all full-time employees if even one employee receives a subsidy and purchases coverage in an exchange. The first 30 employees, however, would be excluded from this calculation. Employers offering "unaffordable" coverage would be assessed a \$3,000 penalty for each full-time employee that receives a subsidy and purchases coverage through an exchange. Coverage is considered "unaffordable" if the employee's premium exceeds 9.5 percent of family income.
<b>Employer Penalty</b>	See above. In addition, an employer with more than 50 FTEs that requires a waiting period before an employee can enroll in	See above. Eliminates "free rider" penalty for employees in a waiting period but the length of the waiting period could not exceed 90 days

	health care coverage will pay \$400 for any full-time employee in a 30-60 day waiting period and \$600 for any full-time employee in a 60-90 day waiting period in 2014. Exempts employers with 50 or fewer employees from any of these penalties.	beginning in 2014.
<b>Free Choice Voucher</b>	Requires employers that offer coverage to provide a free choice voucher to employees with incomes less than 400% FPL whose share of the premium exceeds 8% but is less than 9.8% of their income and who choose to enroll in a plan in the exchange. The voucher amount is equal to what the employer would have paid to provide coverage to the employee under the employer's plan. Employers providing free choice vouchers will not be subject to penalties for employees that receive premium credits in the exchange. Requires employers with more than 200 employees to automatically enroll employees into health insurance plans offered by the employer, allowing for an employee opt-out.	Maintains these provisions.
<b>Employee Retirement Income Security Act (ERISA)</b>	Retains state regulation of insured health plans and federal regulation of self-insured plans. Allows states to obtain limited waivers of federal health-related laws and regulations to pursue state reform initiatives, but the waivers do not apply to ERISA covered plans.	Maintains these provisions.
<b>Health Care Cooperative</b>	Yes. Establishes a federal program to assist establishment and operation of nonprofit, member-run health insurance issuers.	Maintains these provisions.
<b>Cafeteria Plans</b>	Caps FSA contributions at \$2,500. Excludes over-the-counter medications without a doctor's prescription as reimbursable expenses under FSAs, HRAs, MSAs and HSAs. Increases penalties on non-medical HSA and MSA distributions to 20 percent.	Maintains these provisions.
<b>Wellness Provisions</b>	Allows employers to offer premium discounts and other awards for up to 30 percent of the total premium to	Maintains these provisions.

	<p>individuals who satisfy a health standard and includes provisions to ensure that discriminatory practices do not occur. The Secretary of HHS would have the authority to issue regulations to allow financial incentives up to 50 percent. Provides grants for up to 5 years to small employers that establish wellness programs.</p>	
<b>Health Care Quality Improvements</b>	<p>Provides access to Medicare claims data for use in measuring provider performance. Establishes a value-based purchasing program for hospitals starting in 2013 and makes improvements to the physician quality reporting initiative.</p>	<p>Maintains these provisions.</p>
<b>Tax credits</b>	<p>Provides a refundable credit for coverage under a qualified health plan. The premium assistance credit amount is calculated on a sliding scale starting at 2.8 percent of income for those at or above 100 percent of poverty and phasing out to 9.8 percent of income for those at 400 percent of poverty. Provides a sliding scale tax credit to small employers with fewer than 25 employees and average annual wages of less than \$50,000 that purchase health insurance for their employees.</p>	
<b>Excise Tax</b>	<p>40% excise tax on insured and self-insured group health coverage that is above a threshold of \$8,500 for single coverage and \$23,000 for family plans. The tax would apply to the amount of the premium in excess of the threshold. The threshold would be indexed at CPI-U plus one percentage point, and a transition rule would increase the threshold for the 17 highest cost States for the first 3 years. An additional threshold amount of \$1,350 for singles and \$3,000 for families is available for retired individuals age 55 and older and for plans that cover employees engaged in high risk professions.</p>	<p>Excludes stand alone dental and vision benefits from the excise tax calculation. Delays the effective date to 2018. Increases the thresholds to \$10,200 for single coverage and \$27,500 for families. Indexes the threshold to the rate of general inflation plus one percentage point beginning in 2019. Includes a permanent adjustment in the threshold for retirees and for employees in high-risk professions.</p>

<b>Medicare HI Tax</b>	Imposes an increase of .9 percent in the FICA tax paid on wages above \$200,000 (single, \$250k couples) beginning in 2013. Increase is only applicable to amounts paid by the employee.	For single taxpayers with adjusted gross income of \$200k or more and joint filers with AGI of \$250k, imposes an increase of 3.8% in the FICA tax on unearned income from interest, dividends, annuities, rents, capital gains, and royalties.
<b>Retiree Health Care</b>	Eliminates the deduction for the subsidy for employers who maintain prescription drug plans for their Medicare Part D eligible retirees beginning in 2011.	Eliminates the deduction for the subsidy for employers who maintain prescription drug plans for their Medicare Part D eligible retirees beginning in 2013.