

One-Page Summary of Feingold Health Care Bill

Overview

The purpose of this bill is to break the political stalemate surrounding health care reform for the uninsured and to promote universal, high quality, health coverage. The legislation seeks to accomplish this goal by establishing a pilot grant program to enable states or localities to propose and administer health insurance expansion projects. These state-based reforms will provide the country with the evidence and experience necessary to achieve nationwide health care reform.

Pilot Project

This bill will provide grants for states to participate in a five-year pilot project that may be extended for additional grant periods. States whose proposals are approved will be required to provide some matching funds, to comply with financial protections for low-income individuals, and to expand coverage within the five-year period. States are also expected to improve the efficiency of health care spending and lower health care costs.

Health Care Reform Task Force

The legislation will create a Health Care Reform Task Force. The Task Force will approve grant proposals, oversee the implementation of the demonstration projects, and review state progress in achieving established goals. The Task Force will be a non-partisan committee, with members appointed by the Comptroller General. The Secretary of the Department of Health and Human Services will be responsible for establishing the task force and will be a member as well.

Meaningful Health Care Reform

Participating states will be required to submit an annual report to the Task Force detailing their progress. The Task Force will then be responsible for submitting an evaluation of all demonstration projects to Congress at the end of the five-year period. The Task Force will also provide recommendations based on the states' experiences, and the bill will require congressional debate of these recommendations and findings. This will help ensure that meaningful reform for the entire country will be considered by Congress.

Summary of Feingold Health Care Bill

Purpose

This legislation would establish a pilot grant program for states to expand high quality health care coverage to the uninsured. In addition to expanding access, states are also expected to improve the efficiency of health care spending and lower health care costs. The ultimate purpose of this bill is to break the political stalemate surrounding health care reform for the uninsured and to promote universal health coverage. These state-based reforms will provide the country with the evidence and experience necessary to achieve nationwide health care reform.

State Applications

While this bill is designed with states in mind, multi-state groups may apply. In addition, local and tribal governments may apply if their state does not, or if they can demonstrate a unique need.

State Responsibilities

States must submit a five-year plan that identifies the managing organization of the program, specific target dates for decreasing the number of uninsured within the state, and a list of minimum benefits for all who will be covered. This list of minimum benefits must be comparable to a plan provided by the Federal Employees Health Benefit Plan. The legislation is intended to provide broad flexibility for the states. States are expected to improve health care quality through increased effectiveness and efficiency.

States will be responsible for managing the costs of the program. As such, an application must demonstrate how the state plan will be financially solvent, must illustrate the public and private financing structure for the program, and estimate the expenses of federal, state and local governments, businesses, and individuals. States are expected to provide matching funds at least based on the enhanced FMAP in their state, plus a 5% federal match.

State project periods can be extended with Task Force approval.

Task Force

The Comptroller General will appoint the members of the Health Care Reform Task Force according to the requirements in the bill for members, which are below. The Task Force will then be housed at Health and Human Services. The Task Force will establish minimum performance measures and standards regarding coverage, quality, and cost of state programs. Based on these criteria, the Task Force will review applications and ultimately accept or reject state proposals.

Once projects have been implemented, the Task Force will be responsible for monitoring state progress. States must submit annual reports to the Task Force detailing the status of their program implementation. The Task Force will compile this information and submit a report to Congress at the end of the first grant period. This report will include a summary of state programs, an assessment of state progress towards established goals, and recommendations based on the experience of participating states.

The Secretary of Health and Human Services will serve on the Task Force. The Task Force will include 20 members other than the Secretary. Members of the Task Force will include individuals who are consumers of health care, individuals with business perspectives, individuals with labor perspectives, health care providers, experts in state health policy, and people with backgrounds in state and local government. No current elected officials will be allowed on the Task Force. The Task Force membership will be geographically diverse, and balanced between urban and rural representatives.

Low-Income Provisions and Protections for Sick Individuals

Premium/Cost-Sharing Limitations:

- No premiums on families at or below 100% FPL, and total annual cost-sharing may not exceed .5% of the family's income for the year
- Premiums for families from 100 to 200% FPL may not exceed 20% of the average cost of providing benefits to an individual or family or 3% of the family's income for the year, and total annual premiums and cost-sharing may not exceed 5% of the family's income for the year.
- Premiums for families at or below 200 up to 300% FPL may not exceed 20% of the average cost of providing benefits to an individual or family or 5% of the family's income for the year, and total annual premiums and cost-sharing may not exceed 7% of the family's income for the year.

Protections exist in the legislation for individuals with pre-existing conditions.

Federal Programs:

This bill protects current federal programs, including SCHIP and Medicaid.

Congressional Trigger

The bill includes a provision to encourage Congressional debate at the completion of the Task Force's report and recommendations to Congress.