

Alabama Appleseed Health Reform Update September 25, 2009

Senate Finance Committee Continues Work

Most of the action this week in healthcare reform has been in the Senate Finance Committee, with work continuing on the committee's "Chairman's Mark." Some notable issues arose this week in the committee, including group's grappling with potential changes to Medicare Advantage plans, a vote to hold fast to an earlier cost reduction agreement between the White House and the pharmaceutical industry and a vote to maintain an "individual mandate" to purchase coverage. Early next week should prove to be interesting as the committee is expected to vote Tuesday (9/29) on whether to include a "public option" in their bill. Few believe, however, that the controversial provision will be added to the Finance Committee's bill.

Focus on Affordability

Individual affordability continues to be a major point of contention in the committee. Early in the week, Committee Chairman Baucus announced that changes would be made to the committee's bill to address affordability concerns. It is still unclear, however, where subsidy levels ultimately will be set to aid those with low to moderate incomes in purchasing insurance, and it is uncertain how high the penalties will be for those who do not purchase coverage. Originally, the bill called for those at the upper end of the low-to-moderate income scale to pay as much as 13% out of pocket for premiums, and for penalties on those without coverage of \$950 for individuals and \$3800 for families in the same moderate-income bracket. For now, it seems likely that the upper out of pocket requirement will move down to 12%, and the maximum penalty for families without coverage will be reduced to \$1900. However, many, such as Finance Committee member Sen. Debbie Stabenow (D-MI), feel an upper limit on out of pocket premium cost at 6.5% of income is much more reasonable in the face of an individual mandate. How this level of subsidies could be obtained while keeping the overall cost of the bill below the \$900 billion threshold continues to vex those focusing on the critical issue of affordability.

What You Can Do to Help Promote Healthcare Reform

As Congress continues to work on the critical issue of healthcare reform, Representatives and Senators are interested in hearing from their constituents. Even if you do

not go into detail on the issues involved, it is still important to let your Congressmen know that you support healthcare reform. To find how you can contact your Congressmen, you may visit: <http://www.congressmerge.com/>.