



Health Reform Proposals: McCain, Obama, and Nunez/Schwarzenegger

	McCain Plan	Obama Plan	AB1x (Nunez/Schwarzenegger)
<i>Uninsured Covered</i>	Not a goal	“All Americans” as goal	<i>70% of uninsured covered</i>
Insurance Market Reform: Individuals	<ul style="list-style-type: none"> ✓ No guaranteed issue ✓ “Able to purchase insurance nationwide across state lines” ✓ Creates “cheaper” health insurance by: <ul style="list-style-type: none"> ○ Allowing coverage without basic benefits, such as mammograms, well child care, pap smears ○ Allowing lower financial solvency requirements ✓ Relies on high risk pools operated by state governments 	<ul style="list-style-type: none"> ✓ Guaranteed issue ✓ Modified community rating ✓ Existing consumer protections 	<ul style="list-style-type: none"> ✓ Guaranteed issue for those covered by mandate ✓ Modified community rating ✓ Existing consumer protections ✓ High risk pool phased out
Employer Obligation	<ul style="list-style-type: none"> ✓ None ✓ Eliminates tax deductibility of health benefits for employees, discouraging employer-based coverage 	<ul style="list-style-type: none"> ✓ Employers make a meaningful contribution or contribute a percentage of payroll toward costs of coverage ✓ Small employers given subsidy 	<ul style="list-style-type: none"> ✓ Employer obligation scaled by size of payroll: 1%/4%/6%/6.5% of payroll with splits at \$250k/\$1million/\$15mil.
Standard on benefits: employees	None	Yes, minimum is Federal Employee Health Benefits Plan (FEHBP)	No, because of federal law (ERISA)
Affordability Protections	<ul style="list-style-type: none"> ✓ Refundable tax credits of \$2500 for individual and \$5000 for family coverage. (Job-based coverage currently \$4700 for individual, \$12,700 for a family.) ✓ In the individual market, costs are higher than employer coverage; higher for those in their 40s, 50s and 60s, or with pre-existing conditions 	<ul style="list-style-type: none"> ✓ Takes into account both premiums and copays, deductibles, other out of pocket ✓ For low income, through S-CHIP/Medicaid or subsidy through purchasing pool 	<ul style="list-style-type: none"> ✓ Affordability/hardship exemption ✓ Section 125 plan ✓ Purchasing pool under 250%FPL ✓ Tax credit 250%FPL-400%FPL ✓ Tax credits early retirees

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Individual Mandate	None	Only on children	All Californians with exemptions if not affordable or if hardship
Public Insurer	No	Yes, creates alternative to private insurers	Yes, used local Medi-Cal managed care plans
Bulk Purchasing of Health Insurance: Purchasing Pool	✓ No	<ul style="list-style-type: none"> ✓ “National health insurance exchange”, a purchasing pool that buys coverage from private insurers and the public insurer ✓ Purchasing pool available to those uninsured today ✓ Purchasing pool available to those in individual market (without job-based coverage) ✓ Purchasing pool available to employers ✓ Purchasing pool to serve as watchdog 	<ul style="list-style-type: none"> ✓ Purchasing pool builds on existing Healthy Families purchasing pool administrative structure ✓ Purchasing pool buys coverage from private insurers and public insurer ✓ Purchasing pool available to low and moderate income uninsured (up to 400%FPL) ✓ Purchasing pool available to employers regardless of size
Cost Containment:	<ul style="list-style-type: none"> ✓ Disease management ✓ Electronic Medical Records ✓ Rx: <ul style="list-style-type: none"> ○ Importation ○ Use of generics ✓ Cost and Quality Data ✓ Retail clinics ✓ “Alternative insurance schemes” ✓ “Different licensing schemes for providers” 	<ul style="list-style-type: none"> ✓ Bulk purchasing of health benefits: Purchasing Pool ✓ Disease Management ✓ Electronic Medical Records ✓ 85% of dollars on patient care ✓ Rx: <ul style="list-style-type: none"> ○ Bulk Purchasing ○ Importation ○ Use of generics ✓ Cost and Quality Data ✓ Public Insurer Alternative 	<ul style="list-style-type: none"> ✓ Bulk purchasing of health benefits: Purchasing Pool ✓ Disease Management ✓ Electronic Medical Records ✓ 85% of dollars on patient care ✓ Rx: Bulk Purchasing ✓ Cost and Quality Data ✓ Public Insurer Alternative
Medicaid and S-CHIP (Healthy Families)	✓ Proposed \$1.3 trillion cut to Medicaid and Medicare	<ul style="list-style-type: none"> ✓ Expansions of Medicaid and S-CHIP for families and working adults (without children at home) ✓ Increase funding to keep them sustainable 	<ul style="list-style-type: none"> ✓ Kids regardless of immigration for families up to \$62,000 (300%FPL) ✓ Parents up to \$51,625 (250%) ✓ Adults without children up to \$25,525 (250%FPL)

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