

Proposal would require all to have health coverage

May 14 2009, By RICARDO ALONSO-ZALDIVAR and ERICA WERNER , Associated Press Writers

(AP) -- House Democrats are crafting a plan that would require all Americans to carry health insurance and would help families making less than \$88,000 pay the premiums. Employers, too, would have to help foot the bill.

It's the latest development in President Barack Obama's push to fix the ailing U.S. [health care system](#) by getting the government more deeply involved.

Obama has said the final legislation must rein in costs, guarantee choice of [health plans](#) and medical providers, and ensure that all Americans have access to affordable coverage. But he's leaving it to Congress to work out the details.

Responding to a question at a town hall-style meeting in New Mexico on Thursday, Obama said he expects a plan from Congress that will be a "vast improvement" over the current system.

A document obtained by The Associated Press provides an early look at where Democratic leaders in the House are heading as they try to meet an ambitious July 31 deadline for passing their version of the legislation. The Senate is working on a similar plan, with some key differences.

The plan by the House Energy and Commerce Committee would build on the current system in which employers, government and individuals

share responsibility for [health insurance](#).

But it would make major changes: Individuals and employers would face new obligations to help pay for coverage. Insurers would operate under stricter consumer protections. And the government would take added responsibilities for setting insurance rules and providing financial help to low- and middle-income families.

Momentum for a health care overhaul built this week after Obama obtained a pledge from medical providers to help find \$2 trillion in savings over 10 years to help pay for his plan.

Even before any legislation has been officially introduced, lawmakers are grappling with dozens of thorny issues. On Thursday, senators debated behind closed doors whether their bill should include the choice of a government insurance plan for middle-income families. Insurers, hospitals and employers are trying to head off such a plan. The issue won't be resolved any time soon.

The House document also calls for a new government insurance plan to compete with private companies. It would be financed by premium payments, not taxpayer dollars.

Insurers are strongly opposed to a government-sponsored plan, saying it would drive them out of business. Democrats say a public plan would help everybody by injecting competition into a health care market that in many areas is dominated by a handful of major insurers.

The summary of the House proposal says one of its main goals is to "minimize disruption" for people who already have coverage by allowing them to keep their coverage. All Americans would be protected by an annual limit on out-of-pocket costs, a safeguard already in the best private plans.

Individuals would be required to get coverage, either through an employer or government plan, or on their own. Employers would be required to provide coverage or pay the government a percentage of payroll.

Individual subsidies for health insurance would be offered on a sliding scale to those earning up to four times the federal poverty level, or \$88,200 for a family of four, according to the document.

The Energy and Commerce plan broadly tracks with the health care proposals that Obama outlined during the campaign. But in several areas, it goes further than what the Senate is likely to approve. For example, while there appears to be support in the Senate for requiring individuals to get coverage, an employer requirement might not get through.

The House summary does not include any cost estimates, but independent experts have put the price tag for such a plan at \$1.2 trillion to \$1.5 trillion over 10 years, with some estimates ranging as high as \$1.7 trillion.

The president has proposed a downpayment of \$634 billion over 10 years to pay for expanding coverage, money obtained through a 50-50 mix of tax increases and spending cuts. Obama is also promising to hold hospitals, doctors, drug makers and other providers to their recent offer of \$2 trillion in savings over 10 years.

The House plan would set up an insurance purchasing pool called an "exchange" to help make private coverage more affordable for individuals and small businesses. In its first year, the exchange would be open only to employers with fewer than 10 workers.

Health insurance plans that participate in the exchange would have to follow new consumer protection rules. They would not be able to deny

coverage to the sick, or charge them exorbitant rates.

A panel of experts - some from government, some from outside - would recommend a benefits package for the plans in the new insurance exchange. Several benefit levels would be available, with the main difference being the amount of cost sharing for individuals and families.

Separately on Thursday, House Republican leaders released a letter to Obama requesting a meeting on [health care](#). Republicans, who have been strongly criticizing the Democrats' general approach, said they want to try to find common ground on consumer protections, preserving patient choice and encouraging preventive care.

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