

## Provisions of Senate Reconciliation Bill

The Senate Reconciliation Bill “fixes” the objections House members raised about the Senate bill. This is the bill the Senate is debating this week and will ultimately become law if passed by the Senate

- Mandates that every legal U.S. resident have health insurance OR pay a penalty of \$95 a year per person in 2014, \$325 in 2015 and \$695 in 2016 OR 1% of taxable income in 2014, 2% of taxable income in 2015, and 2.5% in 2016, whichever is greater. No penalty is assessed if the cost of cheapest available plan exceeds 8 percent of household income or if income falls below the filing threshold.
- Provides an affordable healthcare tax credit to individuals and families with incomes at or below 400% of the federal poverty level (\$73,000 for a family of 3) such that these families will pay between 2% and 9.5% of the total premium cost.
- Imposes a 40% tax on “Cadillac” health plans (employer-sponsored group health plans with premiums over \$10,200 for individual coverage and \$27,500 for family).
- Increases the Medicare payroll tax rate to 2.35% for workers with incomes of more than \$250,000. The Medicare payroll tax rate increases to 3.8% if the income is unearned.
- Companies with 50 or more full-time workers that **do not** offer coverage would pay a penalty of \$2,000 per employee if any of its workers obtain subsidized coverage through the new health insurance exchanges. The fee would not apply to the first 30 employees.
- Companies with 50 or more full-time workers that **do** offer coverage, but have at least one employee on the exchange would pay a penalty equal to the lesser of \$3,000 per employee in the exchange or \$2,000 per employee.
- Require employers that offer coverage to their employees 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 chooses to enroll in a plan in the Exchange. Employers providing free choice vouchers will not be subject to penalties for employees that receive premium credits in the Exchange
- Require employers with more than 200 employees to automatically enroll employees into health insurance plans offered by the employer. Employees may opt out of coverage.
- Provides health care tax credits to companies with fewer than 25 employees and average wages under \$50,000. The full credit of 50% of premium cost would only be available to companies with fewer than 10 employees and with average wages under \$25,000.
- Creates a public insurance option and gives states the ability to opt-out of participation
- Creates state-based health insurance exchanges to allow qualified individuals and small employers to purchase insurance from private insurers or the public insurance option
- Imposes annual fees on health insurance companies, medical device manufacturers and pharmaceutical companies.
- Expands Medicaid to all individuals under 65 with incomes up to 133% of federal poverty level.