



**MEMORANDUM**

**December 6, 2019**

**To: Subcommittee on Health Members and Staff**

**Fr: Committee on Energy and Commerce Staff**

**Re: Hearing on “Proposals to Achieve Universal Health Care Coverage”**

On **Tuesday, December 10, 2019, at 10:30 a.m. in room 2322 of the Rayburn House Office Building**, the Subcommittee on Health will hold a legislative hearing entitled, “Proposals to Achieve Universal Health Care Coverage.”

**I. BACKGROUND**

In 2018, approximately 150 million individuals had employer sponsored health insurance,<sup>1</sup> 13 million purchased health insurance through the individual health insurance market,<sup>2</sup> and about 120 million received their health insurance through either Medicare,<sup>3</sup> Medicaid or Children’s Health Insurance Program (CHIP).<sup>4</sup>

The passage of the Affordable Care Act (ACA) has led to historic reductions in the uninsured rate and provided health insurance to more than 20 million individuals. The number

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<sup>1</sup> Kaiser Family Foundation, *Health Insurance Coverage of the Total Population* (2017) ([www.kff.org/other/state-indicator/total-population/?dataView=1&currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D](http://www.kff.org/other/state-indicator/total-population/?dataView=1&currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D)).

<sup>2</sup> Kaiser Family Foundation, *Changes in Enrollment in the Individual Health Insurance Market through Early 2019* (Aug. 21, 2019) ([www.kff.org/private-insurance/issue-brief/data-note-changes-in-enrollment-in-the-individual-health-insurance-market-through-early-2019/](http://www.kff.org/private-insurance/issue-brief/data-note-changes-in-enrollment-in-the-individual-health-insurance-market-through-early-2019/)).

<sup>3</sup> Kaiser Family Foundation, *Total Number of Medicare Beneficiaries* (2018) ([www.kff.org/medicare/state-indicator/total-medicare-beneficiaries/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D](http://www.kff.org/medicare/state-indicator/total-medicare-beneficiaries/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D)).

<sup>4</sup> Kaiser Family Foundation, *Total Monthly Medicaid and CHIP Enrollment* (Dec. 2018) ([www.kff.org/health-reform/state-indicator/total-monthly-medicare-and-chip-enrollment/?currentTimeframe=8&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D](http://www.kff.org/health-reform/state-indicator/total-monthly-medicare-and-chip-enrollment/?currentTimeframe=8&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D)).

of uninsured Americans decreased from about 44 million in 2013,<sup>5</sup> before the ACA's major coverage provisions took effect, to 27.5 million in 2018.<sup>6</sup> More than half of those who remain uninsured are either eligible for the ACA's Medicaid expansion or subsidies.<sup>7</sup>

## **II. LEGISLATION**

### **A. H.R. 1277, State Public Option Act**

H.R. 1277, the "State Public Option Act", introduced by Rep. Lujan (D-NM), would authorize states to offer a Medicaid buy-in on the ACA Marketplace that would cover the 10 essential health benefits. States would be authorized to charge premiums, deductibles, and cost-sharing, and beneficiaries would be eligible for the advance premium tax credits and cost-sharing subsidies, subject to the same limitations as exist for a qualified health plan (QHP) currently offered on the ACA Marketplace. States would receive a 90 percent Federal medical assistance percentage (FMAP) for the administrative costs of establishing and operating the buy-in.

### **B. H.R. 1346, Medicare Buy-In and Health Care Stabilization Act of 2019**

H.R. 1346, the "Medicare Buy-In and Health Care Stabilization Act of 2019", introduced by Rep. Higgins (D-NY), would allow for individuals ages 50-64 to buy-in to Medicare. The coverage would be treated as coverage provided by a QHP offered on the ACA Marketplace and individuals would be eligible for the advance premium tax credits and cost-sharing subsidies. The bill would enhance cost-sharing subsidies for all ACA Marketplace enrollees. States would be prohibited from purchasing Medicare buy-in coverage on behalf of Medicaid eligible individuals ages 50-64. H.R. 1346 would also permit the Secretary of Health and Human Services (HHS) to negotiate drug prices for Medicare and for the buy-in plan, create a new voluntary public Medigap option, establish a reinsurance program for the individual market, and reinstate the ACA's risk corridor program through 2024.

### **C. H.R. 1384, Medicare for All Act of 2019**

H.R. 1384, the "Medicare for All Act of 2019", introduced by Reps. Jayapal (D-WA) and Dingell (D-MI), would create a national health insurance program for all U.S. residents. The

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<sup>5</sup> United States Census Bureau, *Health Insurance Coverage in the United States: 2013* (Sept. 2014) ([www2.census.gov/library/publications/2014/demographics/p60-250.pdf](http://www2.census.gov/library/publications/2014/demographics/p60-250.pdf)).

<sup>6</sup> United States Census Bureau, *Health Insurance Coverage in the United States: 2018* (Nov. 2019) (<https://www.census.gov/content/dam/Census/library/publications/2019/demo/p60-267.pdf>).

<sup>7</sup> Kaiser Family Foundation, *The Uninsured and the ACA: A Primer - Key Facts about Health Insurance and the Uninsured amidst Changes to the Affordable Care Act* (Jan. 2019) ([www.kff.org/report-section/the-uninsured-and-the-aca-a-primer-key-facts-about-health-insurance-and-the-uninsured-amidst-changes-to-the-affordable-care-act-how-many-people-are-uninsured/](http://www.kff.org/report-section/the-uninsured-and-the-aca-a-primer-key-facts-about-health-insurance-and-the-uninsured-amidst-changes-to-the-affordable-care-act-how-many-people-are-uninsured/)).

national program would replace the current Medicare program, Medicaid, CHIP and private health insurance for covered services. The bill would not change coverage provided by the Indian Health Service or Department of Veterans Affairs. Individuals would pay no premiums or cost sharing for covered services. One year after enactment, individuals over the age of 55 and under 19 would be eligible to enroll and two years after enactment all U.S. residents would be eligible to enroll. H.R. 1384 would also permit the Secretary of HHS to negotiate drug prices and issue compulsory licenses to allow generic production if negotiation fails.

#### **D. H.R. 2000, Medicare-X Choice Act of 2019**

H.R. 2000, the “Medicare-X Choice Act of 2019”, introduced by Rep. Delgado (D-NY), would establish a Federal public option plan on the ACA Marketplace. Under H.R. 2000, the public plan option would be subject to the same requirements that apply to other QHPs offered on the Marketplace, and would be available to all individuals who are eligible for QHPs. The bill would require HHS to offer the plan at two different benefit levels and to set premiums to cover 100 percent of benefits and administrative costs of the public option.

H.R. 2000 would also expand the ACA’s premium tax credit eligibility to individuals with income above 400 percent of federal poverty level (FPL) by capping their required contribution to 13 percent of their income. Lastly, the legislation would establish a temporary reinsurance program and provide \$10 billion annually over three years.

#### **E. H.R. 2452, Medicare for America Act of 2019**

H.R. 2452, the “Medicare for America Act of 2019”, introduced by Reps. DeLauro (D-CT) and Schakowsky (D-IL), would create a national health insurance program for all U.S. residents with an option to opt out if an individual has qualifying coverage. Individuals currently enrolled in Medicare, Medicaid, or CHIP would over time be enrolled in the Medicare for America plan while individuals enrolled in qualifying employer-sponsored plans, coverage provided by the Indian Health Service or Veterans Administration, TRICARE, or the Federal Employees Health Benefits Program would be able to keep their current coverage if they choose to opt out. A qualifying employer-sponsored plan is defined as a governmental plan or any other employer plan that includes vision, dental, and hearing benefits, with an actuarial value equivalent to at least 80 percent of Medicare for America coverage, and that the employer contributes at least 70 percent toward the premium of such plan. Individuals below 200 percent of the FPL would not pay premiums or cost sharing. The Secretary of HHS would establish premiums that would be no greater than 8 percent of an individual’s or household’s monthly income. The bill would also permit the Secretary of HHS to negotiate drug prices and ban the use of prior authorization or step therapy in any form of health insurance.

#### **F. H.R. 2463, Choose Medicare Act**

H.R. 2463, the “Choose Medicare Act”, introduced by Rep. Richmond (D-LA), would establish a public option (‘Medicare part E’) to be available on the ACA Marketplace. The bill

would also require HHS to establish a process to allow individuals to enroll in the public option on a voluntary basis for the small and large group markets. H.R. 2463 would subject the public option to the same requirements that apply to other QHPs offered on the Marketplace.

H.R. 2463 would enhance the ACA's tax credits and increase the eligibility threshold from 400 percent of FPL to 600 percent of FPL. Lastly, the legislation would enhance the ACA's cost-sharing subsidies and establish a three-year reinsurance program at \$10 billion annually.

#### **G. H.R. 4527, Expanding Health Care Options for Early Retirees Act**

H.R. 4527, the "Expanding Health Care Options for Early Retirees Act", introduced by Rep. Malinowski (D-NJ), would allow qualified first responders age 50 to 64 to buy-in to Medicare. A qualified first responder is defined as a first responder, such as a law enforcement officer or firefighter, who is separated from service due to retirement or disability. The Secretary of HHS would determine a monthly premium for individual first responders who enroll under this buy-in program. The coverage would be treated as coverage provided by a QHP offered on the Marketplace and individuals would be eligible for the ACA's tax credits and cost-sharing subsidies. The bill would also allow for first responders to utilize defined contributions from retiree plans to help purchase coverage. However, first responders would not be eligible for any cost sharing assistance provided by the Medicare program. States would be prohibited from purchasing Medicare buy-in coverage on behalf of Medicaid eligible individuals age 50 to 64.

#### **H. H.R. 584, Incentivizing Medicaid Expansion Act of 2019**

H.R. 584, the "Incentivizing Medicaid Expansion Act of 2019", introduced by Rep. Veasey (D-TX), would provide 100 percent FMAP for Medicaid expansion beneficiaries for the first three years after a state expands Medicaid, and then scales down to 95 percent FMAP, 94 percent FMAP, and 93 percent FMAP, for, respectively, years four, five, and six that has Medicaid expansion. In year seven and beyond, the FMAP for the expansion population would be 90 percent. This enhanced FMAP schedule was available to states that expanded Medicaid beginning in 2014. The bill would provide parity to states that chose to expand Medicaid subsequent to 2014.

#### **I. H.R. 2085, Consumer Health Options and Insurance Competition Enhancement Act**

H.R. 2085, the "Consumer Health Options and Insurance Competition Enhancement Act" or the "CHOICE Act", introduced by Rep. Schakowsky (D-IL), would create a Federal public option plan on the ACA Marketplace. Under H.R. 2085, the public plan option would be subject to the same requirements that apply to other QHPs offered on the Marketplace, and would be available to all individuals who are eligible for QHPs.

### **III. WITNESSES**

The following witnesses have been invited to testify:

#### **Panel I:**

**Hon. Brian Higgins (D-NY)**  
Member of Congress

**Hon. Pramila Jayapal (D-WA)**  
Member of Congress

**Hon. Antonio Delgado (D-NY)**  
Member of Congress

**Hon. Rosa L. DeLauro (D-CT)**  
Member of Congress

**Hon. Tom Malinowski (D-NJ)**  
Member of Congress

**Hon. Cedric L. Richmond (D-LA)**  
Member of Congress

#### **Panel II:**

**Sara Rosenbaum, J.D.**  
Harold and Jane Hirsh Professor of Health Law and Policy  
George Washington University Milken Institute School of Public Health

**Peter Morley**  
Patient Advocate

**Jean Ross, RN**  
President  
National Nurses United

**Douglas Holtz-Eakin, Ph.D.**  
President  
American Action Forum

**Scott W. Atlas, M.D.**  
David and Joan Traitel Senior Fellow  
Hoover Institution, Stanford University