



UNITED STATES CONGRESS

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Saturday, November 7, 2009

House Makes History on Health Reform

For the first time in U.S. history, House votes to provide quality, affordable health insurance for all Americans

WASHINGTON, D.C. – For the first time in America’s history, all Americans will have access to quality, affordable health care under updated health insurance reform legislation passed by the U.S. House of Representatives today. The legislation will cover 96 percent of Americans by 2015, while reducing the deficit by tens of billions of dollars over the next decade. The House approved the measure by a vote of 220 to 215.

The Affordable Health Care for America Act (H.R. 3962), blends and revises the three versions of reform legislation passed by the House committees of jurisdiction in July. It embodies President Obama’s key goals for health reform. It will slow the growth in out-of-control health costs, and introduce competition into the health care marketplace to keep coverage affordable and insurers honest. Additionally, it will protect people’s choices of doctors and health plans, and assure all have Americans access to quality, stable, affordable health care.

The Congressional Budget Office (CBO) estimates the net cost of expanding coverage at \$891 billion, consistent with the \$900 billion coverage mark laid out by President Obama in September. The legislation will be fully paid for. CBO estimates the bill reduces the deficit by at least \$30 billion over 10 years, not counting the additional deficit reduction generated by the CLASS Act.

“Tonight, for the first time in our nation’s history, the House voted to guarantee every American access to quality, affordable health insurance,” said **U.S. Rep. George Miller (D-CA)**, the Chairman of the House Education and Labor Committee. “Our bill embodies President Obama’s goals and reflects what we have heard from the American people. Because of this legislation, never again will Americans have to worry about losing their health care if they lose their job or get sick. For all of the great leaders before us who tried to get this done, and for all of the workers and families who will finally have greater health benefits and financial security because of this bill, tonight we made history.”

“God has been good to our country and this Congress and that means we have a responsibility to extend our power to make certain that every American has access to quality, affordable health care,” said **U.S. Rep. Charles B. Rangel (D-NY)**, the Chairman of the House Ways and Means Committee. “We are so proud of this bill because it will cover 96 percent of our nation and ensure that no one will be denied health care because they have a pre-existing condition, or lose their coverage because they lose their job. This is truly an historic effort to improve the health and well-being of our nation, create jobs and grow our economy.”

“Today is a historic moment for the House of Representatives,” said **U.S. Rep. Henry A. Waxman (D-CA)**, the Chairman of the House Energy and Commerce Committee. “It is a significant victory that the House has passed comprehensive health reform legislation for all Americans. This bill will at long last reform the health care system by expanding choices, reducing costs, and providing people with peace of mind about their health insurance.”

“With this historic vote, tens of millions of Americans are closer to getting health insurance. With this historic vote, we stand to reduce our deficit by billions of dollars over the next decade,” said **U.S. Rep. John**

D. Dingell (D-MI), the Chairman Emeritus of the Energy and Commerce Committee and lead sponsor of H.R. 3962. “With this historic vote we are closer to bringing relief to American families who are forced to decide whether they will pay the mortgage or their health insurance premium. And with this historic vote, we will help American business compete in the global marketplace. Many legendary members who served in this body before have fought for national health insurance reform, only to never see it happen. It is a great honor to serve with a new generation of members who today took bold action, delivering on our promise of change. Our actions will earn the respect and appreciation of Americans for generations to come.”

“With this historic vote we are one step closer to fulfilling the promise of making the world's best health care system more affordable and accessible to all. This plan significantly limits the costs that have been spiraling out of control for decades, which have threatened the health, well-being and economic stability of our nation,” said **U.S. Rep. Rob Andrews (D-NJ)**, the Chairman of the Health, Employment, Labor and Pensions Subcommittee. “Making health care more affordable not only reduces the burden on families and businesses, but also frees up the resources needed to create and sustain countless jobs without adding to our nation's deficit. While there is still much work to do, I value the discussions and debates that I have shared with my constituents and colleagues over these past few months. I am proud and humbled to be part of such historic change that will improve the quality of life for millions of Americans and help put our country back on the course of long prosperity.”

“The Affordability Health Care for America Act will mark history with reforms that will put nearly every American within reach of quality health care at affordable costs,” said **U.S. Rep. Frank Pallone, Jr. (D-NJ)** the Chairman of Energy and Commerce Subcommittee on Health. “More important than the history books is what it will mean for all Americans. It will stop the insurance industry from denying or cutting off care and it will help prevent illness before it strikes. And it will reduce the amount spent on medical care in the country without adding one dime to the deficit. It will make the best of the health care system and help allow America live up to its promise and its ideals.”

“Today's vote is the most important in my career,” said **U.S. Rep. Pete Stark (D-CA)**, the Chairman of the House Ways and Means Health Subcommittee. “I am proud to have helped author this legislation, which will finally guarantee affordable, quality health care to every American. I urge the Senate to act so we can achieve health care reform this year.”

The legislation will ensure affordability for workers and middle-class families, security for seniors with a stronger, more solvent Medicare program, and a healthy fiscal future.

The key components of the Affordable Health Care for America Act include:

Increasing choice and competition. The bill will protect and improve consumers' choices.

- If people like their current plans, they will be able to keep them.
- Individuals who aren't currently covered by their employers and small businesses will be able to purchase coverage through a new Health Insurance Exchange where consumers can comparison shop from a menu of affordable, quality health care options that will include private plans, health co-ops, and a new public health insurance option. The public health insurance option will operate on a level playing field with private insurers, spurring additional competition.
- This Exchange will create competition based on quality and price that leads to better coverage and care. Patients and doctors will have control over decisions about their health care, instead of insurance companies.

Giving Americans peace of mind. The legislation will ensure that Americans have portable, secure health care coverage – so that they won't lose care if their employer drops their plan or they lose their job.

- Every American who receives coverage through the Exchange will have a plan that includes comprehensive and quality health care benefits.
- It will end increases in premiums or denials of care based on pre-existing conditions, race, or gender, and will strictly limit age rating.
- The proposal will also eliminate co-pays for preventive care, and cap out-of-pocket expenses to protect every American from bankruptcy.

Improving quality of care for every American. The legislation will ensure that Americans of all ages, from young children to retirees, have access to greater quality of care by focusing on prevention, wellness, and strengthening programs that work.

- Guarantees that every child in America will have health care coverage that includes dental, hearing, and vision benefits.
- Provides better preventive and wellness care. Every health care plan offered through the Exchange and by employers, after a grace period, will cover preventive care at no cost to the patient.
- Increases the health care workforce to ensure that more doctors and nurses are available to provide quality care as more Americans get coverage.
- Strengthens Medicare and Medicaid and closes the Medicare Part D “donut hole” so that seniors and low-income Americans receive better quality of care and see lower prescription drug costs and out-of-

pocket expenses.

Ensuring shared responsibility. The bill will ensure that individuals, employers, and the federal government share responsibility for a quality and affordable health care system.

- Employers can continue offering coverage to workers, and those with payrolls over \$500,000 who choose not to offer coverage will contribute a fee of up to eight percent of payroll.
- All individuals will generally be required to get coverage, either through their employer or the exchange, or pay a penalty of 2.5 percent of income. Individuals facing difficulties can apply for hardship waivers from the penalty.
- The federal government will provide affordability credits, available on a sliding scale for low- and middle-income individuals and families, to make premiums affordable and reduce cost-sharing.

Protecting consumers and reducing waste, fraud, and abuse. The legislation will put the interests of consumers first, protect them from insurer discrimination and mistreatment, and reduce waste, fraud and abuse.

- Provides transparency in plans in the Health Exchange so that consumers have clear, complete information, in plain English, to select the plan that best meets their needs.
- Establishes consumer advocacy offices as part of the Exchange to protect consumers, answer questions, and assist with any problems related to their plans.
- Simplifies paperwork and other administrative burdens. Patients, doctors, nurses, insurance companies, providers, and employers will all benefit from a streamlined, less confusing, more consumer-friendly system.
- Increases funding of efforts to reduce waste, fraud and abuse; and creates enhanced oversight of Medicare and Medicaid programs.

Reducing the deficit and ensuring the solvency of Medicare and Medicaid. The legislation will be entirely paid for – it will not add a dime to the deficit and will actually reduce the deficit over at least the next two decades. It will also put Medicare and Medicaid on the path to a more fiscally sound future, so seniors and low-income Americans can continue to receive quality health care benefits for years to come.

- Pays for the entire cost of the legislation through a combination of savings achieved by making Medicare and Medicaid more efficient – without cutting seniors' benefits in any way – and through revenue generated from placing a surcharge on the top 0.3 percent of all households in the U.S. (married couples with adjusted gross income of over \$1,000,000) and other revenue measures.
- CBO estimates the bill will reduce the deficit by at over \$30 billion over ten years, not counting the additional deficit reduction generated by the CLASS Act.
- Extends the life of the Medicare trust fund by 5 years.
- Estimates also show the bill will slow the rate of growth of the Medicare program from 6.6 percent annually to 5.3 percent annually.