A Healthcare Proposal

By Logikos Advocacy Group

Title I

Sec. 1: Repeal of the Individual Mandate; *Sec. 2:* Regulations for all markets; *Sec. 3:* Optional Participation in the Program; *Sec 4.:* Business Mandate; *Sec. 5:* Eligibility and Verification; *Sec. 6:* Premium Credits and Cost Sharing; *Sec. 7:* Abortion Coverage; *Sec. 8:* Small Business Tax Credit; *Sec. 9:* Establishment of the Exchanges; *Sec. 10:* Benefit Categories; *Sec. 11:* Market and Rating Rules; *Sec. 12:* Remain As Is Under Current Law; *Sec. 13:* Dependent Coverage; *Sec. 14:* Market Rules; *Sec. 15:* Public Administration of Health Coverage.

Title II

CHIP and Medicaid Expansion, treatment, and cost containment.

Title III

Regulations concerning Medicare, CO-OPs, and dual eligibles.

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Regulations concerning healthcare workforce.

Title VI

Regulations concerning Transparency and Integrity.

Title VII

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Title VIII

Sec. 1: Regulations concerning healthcare sector taxes; *Sec. 2:* Tax incentives for enrollees; *Sec. 3:* Taxes regarding Medicaid Pt. A & D; *Sec. 4:* Other Taxes Under the Affordable Care and Patient Protection Act.

Title IX

The Indian Health Care Improvement Act

Title I

Section 1:

United States citizens and legal immigrants shall no longer be required by law to have health insurance. Premiums under state-based Exchanges shall be fully tax deductible. Market requirements and coverage requirements, except for those detailed in Sec. 2 of this title shall be applicable only to participating insurers.

Section 2:

1. No insurer may charge more or terminate a plan on the basis of sex, gender, pre-existing conditions, or health status.
2. Coverage may only be rescinded in case of fraud.

Section 3:

Participation in the Program set forth by this proposal shall be optional for all insurers. Non-participants shall be free of all regulations set forth with the exception of those aforementioned in the second Section of this Title. Terms of enrollment in the Program shall be five years long, only after which an insurer may leave the Program. An enrolled insurer may not offer any coverage that is not compliant with regulations set forth in this proposal, or sell coverage in non-compliant markets.

Section 4:

1. Employers with 80 or more employees that do not offer coverage and have at least one full-time employee who receives a premium tax credit shall be assessed a fee of $2,000 per full-time employee, excluding the first 50 employees. Employers with 80 or more employees

that do offer coverage but have at least one full-time employee who receives a premium tax credit shall pay the lesser of $2,700 per employee receiving a premium tax credit or $1,800 per full-time employee. The first 50 employees shall be excluded from the assessment.

2. Employers with more than 250 employees shall be required to automatically enroll employees into health insurance plans offered by the employer. Employees may opt out of coverage.

Section 5:

1. Premium credits and cost-sharing subsides through the Exchanges established under the Program shall be limited to United States citizens and legal immigrants.
2. Employees who are offered coverage by an employer shall not be eligible for premium credits unless the employer plan does not have the actuarial value of at least 60% or if the employee's share of the premium exceeds 9.5% of income.
3. Legal immigrants who are barred from enrolling in Medicaid during their first five years in the United States shall be eligible for premium credits.
4. Verification of both citizenship status and income shall be required in determining eligibility for federal premium credits.

Section 6:

1. Refundable and advanceable premium credits and cost-sharing subsides shall be provided to eligible individuals and families with incomes between 100 – 400% FPL to purchase insurance through the Exchanges. The premium credits shall be based on the lowest cost silver plan in the area of residence, and shall be set on a sliding scale,

such that premium contributions are limited to 0.3% higher rates than set forth in current law for brackets up to 200% FPL, and 0.5% higher than set forth in current law for brackets between 200% and 400% FPL.

2. Premium contributions for those receiving subsides shall be adjusted annually to reflect the excess of the premium growth over the rate of income growth until 2018.
3. Beginning in 2019, further adjustments shall be made to premium contributions to reflect the excess of premium growth over CPI if aggregate premiums and cost-sharing subsides exceed 0.504% of GDP.
4. Cost-sharing subsides shall be provided to eligible individuals and families. The cost-sharing credits reduce cost-sharing amounts and annual cost-sharing limits, and have the effect of increasing the actuarial value of the basic benefit plan. Cost-sharing percentages shall be reduced by 2% from their value under current law.

Section 7:

1. Federal premium or cost-sharing subsides shall not be used to purchase coverage for abortion, with exception of abortions necessary to save the life of the woman, and cases of rape and incest.
2. Insurers that participate in the Program and offer coverage for abortion must segregate the federal subsides they receive for individual coverage from the funds going to abortion coverage. Federal funds may not be used to cover abortion, with the exceptions aforementioned in this section.

Section 8:

1. Small employers with no more than 25 employees and wages less than $50,000 that purchase insurance through Exchanges under the Program shall be provided a tax credit of up to 50% of the employer's contribution towards the employee's health insurance premium if the employer contributes at least 45% of the total premium cost. The credit will be available for two years.
2. The full credit shall be available to employers with 10 or fewer employees and wages of less than $25,000.
3. The credit shall phase-out as firm size and average wages increase.
4. Tax-exempt small businesses meeting these requirements shall be eligible for tax credits of up to 35% of the employer's contribution toward the employee's health insurance premium.

Section 9:

1. State-based American Health Benefit Exchanges and Small Business Health Options Program (SHOP) shall be re-established under the Program.
2. The Exchanges and SHOP shall be administered by private non-profit organizations. In case no qualified organization is available in the area, a government agency shall manage the Exchanges.
3. Qualifying individuals and small businesses may purchase insurance in these Exchanges.
4. Conditions of qualification for small businesses and administrating non-profits shall be determined by the States.

5. States may form regional Exchanges or allow more than one Exchange to operate in the state, as long as each Exchange serves a distinct geographic area.
6. Access to coverage through the Exchanges shall remain restricted to United States citizens and legal immigrants who have not been incarcerated.

Section 10:

1. Bronze, Silver, Gold, and Catastrophic plans shall remain as they are under current law.
2. Out-of-pocket limits for those with incomes up to 400% FPL shall remain as is under current law, adjusted by CPI on an annual basis. They shall be applied within the actuarial limits of the plan and shall not increase the actuarial value of the plan.

Section 11:

The following shall apply to insurers enrolled in the Program:

1. Guarantee issue and renewability shall be required.
2. Rating variation shall be allowed based only on age, premium rating area, family composition, and tobacco use in the individual and the small group markets and in the Exchanges.
3. Rating based on income shall be permitted under the following conditions:
    a. States may choose to allow income-based ratings.
    b. Incomes on the basis of which ratings are established must be no less than 600% FPL.
    c. Premiums and ratings cannot have an inverse relationship with income level, meaning the higher the income, the higher can the premiums go.
    d. States may regulate the extent to which such ratings are allowed.

Section 12:

The following shall remain as they are under current law:

1. Regulations concerning the qualifications of participating health plans;
2. Regulations concerning the requirements for local exchanges;
3. Regulations concerning the basic health plan;
4. Essential benefits package and the regulations thereof.
5. Regulations concerning primary care and federal funding of Medicaid financing.

Section 13:

Coverage shall be provided for dependents up to the age of 25 for all individual and group policies under the Program.

Section 14:

Regulations concerning insurance market rules shall remain as they are under current law, but shall only apply to insurers participating in the Program. Insurers outside the program will not be required to meet the benefit standards set under current law. Limitations on deductions for families and individuals shall be abolished.

Section 15:

Public administration of health insurance shall continue as it has under current law. Regulations concerning the administrative simplification shall continue as they have under current law.

Title II

The following shall remain as they are under current law:

1. Regulations concerning the expansion and treatment of Medicaid;
2. Regulations concerning the expansion and treatment of CHIP;
3. Regulations concerning multi-state plans;
4. Regulations concerning abortion coverage;
5. Role of States in implementing policies;
6. Regulations concerning long-term care, community-based services and Community First Choice Option in Medicaid, and nursing facility requirements;
7. Regulations concerning the cost containment of Medicaid;
8. Regulations concerning healthcare choice compacts and national plans.

Title III

The following shall remain as they are under current law:

1. Regulations concerning Consumer Operated and Oriented Plan;
2. Regulations concerning Administrative Simplification;
3. Regulations concerning Medicare and the improvements thereof;
4. Regulations concerning the cost containment of Medicare;
5. Regulations concerning dual eligibles;
6. Regulations concerning national quality strategy;
7. Regulations concerning investments in Medicare.

Title IV

The following shall remain as they are under current law:

1. Regulations concerning the national strategy for wellness and prevention;
2. Regulations concerning the coverage of preventive services;
3. Regulations concerning wellness programs;
4. Regulations concerning nutritional information.

Title V

Regulations concerning the development, training and improvement of healthcare related workforce shall remain as it is under current law.

Title VI

The following shall remain as they are under current law, unless otherwise specified in previous or following sections:

1. Regulations concerning medical loss ratios and premium rate reviews;
2. Regulations concerning waste, fraud, and abuse;
3. Regulations concerning comparative effectiveness research;
4. Regulations concerning medical malpractice;
5. Regulations concerning financial disclosures and disparities;

Title VII

Regulations concerning prescription drugs shall remain as they are under current law.

Title VIII

Section 1:

1. Fees imposed on pharmaceutical manufacturing sector shall remain as they are under current law.

2. Fees imposed on health insurance sector shall remain as they are under current law.
3. Insurers enrolled in the Program shall receive a tax cut equal to 50% of the fees imposed under the Affordable Care and Patient Protection Act.
4. Taxes on taxable medical devices shall be remain at 2.3%.

Section 2:

1. The reimbursement of over-the-counter drugs not prescribed by a doctor through an HSA or Archer Savings Account shall be allowed for those purchasing coverage through the Program.
2. Taxes on distributions from a health savings account or an Archer MSA that are not used for qualified medical expenses shall be lowered to 17% from 20% for those purchasing coverage through the Program.
3. Health insurance premiums and co-pays shall be fully tax deductible for those purchasing insurance through the Program.
4. Threshold for the itemized deduction for unreimbursed medical expenses shall be increased to 13% for those purchasing insurance through the Program.

Section 3:

1. Tax deductions for employers who receive Medicare Part D retiree drug subsidy payments shall be reinstated.
2. Medicare Part A tax rate on wages shall be increased to 2.7% on earnings over $200,000 for individual taxpayers and $250,000 for married couples filing jointly. The tax imposed on unearned income for higher-income taxpayers shall be increased to 4% from 3.8%.

Section 4:

All other regulations and appropriations imposed under the Affordable Care and Patient Protection Act shall remain as they are under current law.

Title IX

The reauthorization and amendments to the Indian Health Care Improvement Act effective under the Affordable Care and Patient Protection Act shall remain in effect.