

H.R. 3962

A clear look at the new healthcare bill

On Nov. 7, 2009, the House passed H.R. 3962 by a narrow margin of 220 – 215. But, with huge majorities, why was this so close? A closer look tells why. Attached are actual pages and a [link so that you can view the entire bill](#).

Can you keep your health insurance if you like it? It's very unlikely. Here's why. (p 91)

If your employer provides your insurance, you will have a grace period after which you must be transferred to a government qualified plan. If you have your own insurance you must immediately transfer to a qualified plan if there are any changes in your policy such as a change in co-pay, deductible, terms or benefits.

Notice the title, "Protecting the Choice to Keep Current Coverage". Actually, this section takes away your choice to keep your current coverage if your provider makes even minor plan changes. Since these are common occurrences, most will lose their present insurance within a short time. (p 91)

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1 **SEC. 202. PROTECTING THE CHOICE TO KEEP CURRENT**
2 **COVERAGE.**

3 (a) **GRANDFATHERED HEALTH INSURANCE COV-**
4 **ERAGE DEFINED.**—Subject to the succeeding provisions of
5 this section, for purposes of establishing acceptable cov-
6 erage under this division, the term “grandfathered health
7 insurance coverage” means individual health insurance
8 coverage that is offered and in force and effect before the
9 first day of Y1 if the following conditions are met:

10 (1) **LIMITATION ON NEW ENROLLMENT.**—

11 (A) **IN GENERAL.**—Except as provided in
12 this paragraph, the individual health insurance
13 issuer offering such coverage does not enroll
14 any individual in such coverage if the first ef-
15 fective date of coverage is on or after the first

16 day of Y1.

17 (B) DEPENDENT COVERAGE PER-
18 MITTED.—Subparagraph (A) shall not affect
19 the subsequent enrollment of a dependent of an
20 individual who is covered as of such first day.

21 (2) LIMITATION ON CHANGES IN TERMS OR
22 CONDITIONS.—Subject to paragraph (3) and except
23 as required by law, the issuer does not change any
24 of its terms or conditions, including benefits and
25 cost-sharing, from those in effect as of the day be-
26 fore the first day of Y1.

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Why can't I just keep my same coverage? Because, essentially, private coverage as you know it, is outlawed after Y1. (p 94)

94

1 (c) LIMITATION ON INDIVIDUAL HEALTH INSURANCE
2 COVERAGE.—

3 (1) IN GENERAL.—Individual health insurance
4 coverage that is not grandfathered health insurance
5 coverage under subsection (a) may only be offered
6 on or after the first day of Y1 as an Exchange-par-
7 ticipating health benefits plan.

But, won't my coverage improve? No one knows because the qualified plan won't be defined for 18 months. (p 118)

7 (b) **ADOPTION OF STANDARDS.—**

8 (1) **INITIAL STANDARDS.—**Not later than 18

9 months after the date of the enactment of this Act,

10 the Secretary shall, through the rulemaking process

11 consistent with subsection (a), adopt an initial set of

12 benefit standards.

Won't my premiums be less? No. Your premiums are likely to soar. Here are the real figures for the average price of the lowest cost mandated plan according to a [CBO letter](#) on 11/5/2009.

Annual Income	Premiums	Net Sharing Cost	Total Cost	% of pre-tax income
\$44,200 (Ind.)	\$5,300	\$2,000	\$7,300	17%
\$102,100 (Family)	\$15,000	\$5,300	\$20,300	20%

Can't I pick any policy I want? No. You will only be able to purchase policies that meet guidelines as defined by the Health Insurance Exchange. (p 155)

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1 **TITLE III—HEALTH INSURANCE**

2 **EXCHANGE AND RELATED**

3 **PROVISIONS**

4 **Subtitle A—Health Insurance**

5 **Exchange**

6 **SEC. 301. ESTABLISHMENT OF HEALTH INSURANCE EX-**

7 **CHANGE; OUTLINE OF DUTIES; DEFINITIONS.**

8 (a) **ESTABLISHMENT.—**There is established within

9 the Health Choices Administration and under the direc-

10 tion of the Commissioner a Health Insurance Exchange

11 in order to facilitate access of individuals and employers,

12 through a transparent process, to a variety of choices of

13 affordable, quality health insurance coverage, including a

14 public health insurance option.

Suppose I don't want any insurance or I refuse to pay? There are fines and IRS penalties that run into thousands of dollars including up to 5 years imprisonment according to the Joint Committee on Taxation. The fines may or may not be limited to the amount of the premiums you should have paid. (p 297-299)

297

1 **“SEC. 59B. TAX ON INDIVIDUALS WITHOUT ACCEPTABLE**
2 **HEALTH CARE COVERAGE.**

3 “(a) **TAX IMPOSED.**—In the case of any individual
4 who does not meet the requirements of subsection (d) at
5 any time during the taxable year, there is hereby imposed
6 a tax equal to 2.5 percent of the excess of—

7 “(1) the taxpayer’s modified adjusted gross in-
8 come for the taxable year, over

9 “(2) the amount of gross income specified in
10 section 6012(a)(1) with respect to the taxpayer.

Who decides what benefits I will receive? Your doctor will have a say, but will be “guided” in his or her decisions by the Health Benefits Advisory Committee. (p 111-112)

9 **SEC. 223. HEALTH BENEFITS ADVISORY COMMITTEE.**

10 (a) **ESTABLISHMENT.**—

11 (1) **IN GENERAL.**—There is established a pri-
12 vate-public advisory committee which shall be a
13 panel of medical and other experts to be known as
14 the Health Benefits Advisory Committee to rec-
15 ommend covered benefits and essential, enhanced,
16 and premium plans.

The Committee consists of up to 26 members; 17 of whom would be handpicked by the President. This Committee directly guides the Health Insurance Exchange which then decides which procedures will or will not be covered. As uncomfortable as it may be to believe, quite literally, through HR 3962, the President of the US and numerous bureaucratic panels will have a broad hand in making life and death medical decisions for your family.

How will this affect my small business? Employers must provide a “qualified” plan for their employees and pay 72.5% of the cost and a smaller share for family coverage or incur an 8% payroll tax. Small businesses with payrolls under \$750,000 are fined less. (p 272)

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1 (A) in case of individual coverage, not less
2 than 72.5 percent of the applicable premium
3 (as defined in section 4980B(f)(4) of such
4 Code, subject to paragraph (2)) of the lowest
5 cost plan offered by the employer that is a
6 qualified health benefits plan (or is such cur-
7 rent employment-based health plan); and

What happens to my Medicare benefits? To save costs, Medicare is being shifted from a fee-for-service program to an outcome based model. To do so seniors will be required to go to a “medical home.” This “medical home” acts as a “gatekeeper” similar to the HMO’s of the 90’s. While you will note this begins with a “pilot” program, the HHS Secretary has already been authorized to “disseminate this approach rapidly on a national basis.” (p 672 – 692)

9 **SEC. 1302. MEDICAL HOME PILOT PROGRAM.**

10 (a) IN GENERAL.—Title XVIII of the Social Security
11 Act is amended by inserting after section 1866E, as in-
12 serted by section 1301, the following new section:

13 “MEDICAL HOME PILOT PROGRAM

14 “SEC. 1866F. (a) ESTABLISHMENT AND MEDICAL
15 HOME MODELS.—

In addition, to cut costs, physicians will be replaced with physician assistants in overseeing care for hospice patients.

13 SEC. 1114. PERMITTING PHYSICIAN ASSISTANTS TO ORDER
14 POST-HOSPITAL EXTENDED CARE SERVICES
15 AND TO PROVIDE FOR RECOGNITION OF AT-
16 TENDING PHYSICIAN ASSISTANTS AS AT-
17 TENDING PHYSICIANS TO SERVE HOSPICE
18 PATIENTS.

What happens to Medicare Advantage? Seniors enrolled in the Medicare Advantage Program will have their benefits sharply cut. The reform mentioned here uses a format which increases seniors' costs while reducing their benefits by approximately \$150 billion. (p 520 – 521)

4 **Subtitle D—Medicare Advantage**
5 **Reforms**
6 **PART 1—PAYMENT AND ADMINISTRATION**
7 SEC. 1161. PHASE-IN OF PAYMENT BASED ON FEE-FOR-
8 SERVICE COSTS; QUALITY BONUS PAYMENTS.
9 (a) PHASE-IN OF PAYMENT BASED ON FEE-FOR-
10 SERVICE COSTS.—Section 1853 of the Social Security Act
11 (42 U.S.C. 1395w–23) is amended—

However, by paying additional premiums, seniors will be able to [purchase MediGap insurance from AARP](#). AARP and others are positioned to earn hundreds of millions of dollars in new insurance premiums under the House plan. This may have been a strong motivation for them to promote the healthcare plan in spite of the overwhelming disapproval of their membership.

Does Congress have to participate in this program? No! They may if they care to. Congressional leaders have strenuously objected to this question. Guess how many plan to enroll in the plan?

225

1 **SEC. 330. ENROLLMENT IN PUBLIC HEALTH INSURANCE**

2 **OPTION BY MEMBERS OF CONGRESS.**

3 Notwithstanding any other provision of this Act,

4 Members of Congress **may enroll** in the public health in-

5 surance option.

Summary:

While there is much more to the healthcare plan, this provides a brief glimpse into information you are not likely to see on the evening news. As you can tell, rather than attempt to reform healthcare, this program is a mandatory takeover of the entire system.

This bill gives unprecedented authority to the Secretary of Health and Human Services and various bureaucratic committees to set protocols which create a conflict of interest between you and your doctor.

For the most part, the bill attempts to control costs by reintroducing many of the onerous insurance company practices that were abolished in the 90's to make healthcare more accessible to Americans.

HR 3962 is fed by premium increases, high taxes and fees; sustained through reduced benefits and the limiting of access to care; and enforced with severe penalties for non-compliance. But mostly it gains coverage for a few at the expense of our younger people and our senior citizens. Perhaps, very telling is the fact that most of the features of this bill do not become effective until the year 2013, after which the authors will have been safely re-elected to office.

But, there are alternatives. There are at least three [alternate proposals](#) offered that actually do reduce costs, provide better coverage and offer insurance to more people. These plans do allow people to keep their present insurance and allow you and your doctor autonomy in making family health decisions. What these proposals do not do is give the government power over your medical choices. Sadly, none of these plans has been allowed to see the light of a committee review.

For more in depth review I urge you to read the full bill at www.opencongress.org. Type "HR 3962" in the search box.

To find the latest news on the healthcare debates go to: www.defendyourhealthcare.us