## **SCHUMER # C1**

Schumer Amendment #C1 to Title I, Subtitle E-

Short Title: Level Playing Field Public Option

Description of Amendment:

Strike Title I, Subtitle E, Health Care Cooperatives and replace with a national "level playing field" public health insurance option with negotiated reimbursement rates to enhance competition for consumers within the Exchange.

The new national level playing field public option must adhere to the same rules (actuarial reporting, community rating and guaranteed issue) as all other plans in the Exchange and must be self-sustaining with premiums and copayments covering claims. Like private plans, the "level playing field" public option would also be required to establish a reserve fund. Aside from covering some initial start-up costs, general revenues or annual appropriations may not support the ongoing operation of the plan.

The government must not use existing programs like Medicare as a stick to compel providers to participate in the public option. Instead, doctors and hospitals should be able to voluntarily opt-in to participate in the public option.

## Offset:

Increase annual fee on for-profit health insurance providers by amount necessary to offset the increase in spending.

## **SCHUMER-CANTWELL # C2**

Schumer-Cantwell Amendment #C2 to Title I, Subtitle E-

Short Title: Public Option as passed by HELP Committee

Description of Amendment:

Strike Title I, Subtitle E, Health Care Cooperatives and replace with public option proposal included in the Senate Health, Education, Labor, and Pensions Committee:

The Secretary will establish a community health insurance option that complies with the health plan requirements established by this title and provides only the essential health benefits established in section 3103, except in States that offer additional benefits. There are no requirements that health care providers participate in the plan or that individuals join the plan. The premiums must be sufficient to cover the plan's cost. The Secretary shall negotiate rates for provider reimbursement. Reimbursement rates will be negotiated by the Secretary and shall not be higher than the average of all Gateway reimbursement rates. A "Health Benefit Plan Start-up Trust Fund" will be created to provide loans for the initial operations of the community health insurance plan, which the plan will be required to pay back no later than 10 years after the payment is made. After the first 90 days of operation, the community health plan will be subject to a Federal solvency standard, established by the Secretary, and will be required to have a reserve fund that is at least equal to the dollar value of incurred claims. Each state will establish a State Advisory Council to provide recommendations to the Secretary on the policies and procedures of the community health insurance plan.

The Secretary shall contract with qualified nonprofit entities to administer the community health insurance plan in the same manner as Medicare program contracting. The contractor will receive a fee from the Department of Health and Human Services, which may be increased or reduced depending on the contractor's performance in reducing costs and providing high-quality health care and customer service. Contracts will last between 5 and 10 year-terms, at the end of which there will be a competitive bidding process for new and renewed contracts.