



Provision	Patient Protection & Affordable Care Act (Reid Substitute)	House (HR 3962)
Public Option	Yes. Allows states to opt out. Provider reimbursement determined by HHS and capped at average of private rates. \$6 billion start-up fund for loans to provide for initial operation of Co-Ops. Allows states to offer state programs for individuals between 133 and 200 percent of poverty, not eligible for Medicaid, at rates negotiated by states.	Yes. Provider reimbursement determined by HHS between Medicare and private rates.
Exchange	State-based, limited to individuals and small firms until 2017. Large groups permitted after 2017.	National. Limited to individuals without employer-based coverage or Medicaid. Open to all in 2015.
High Risk Pools	Temporary, until 2014, \$5 billion funding.	\$5 billion to plans in 2010.
Employer Mandate	Generally \$750, indexed by premium growth, for each employee not offered coverage for firms of 50 or more.	Tax based on sliding scale, up to 8% for payrolls over \$750,000.
Individual Mandate	Yes. \$95 in 2014, \$350 in 2015, \$750 in 2016, indexed to inflation for noncompliance. Exempt if premiums are more than 8% of income, hardship.	Yes. Noncompliance penalty of 2.5% of AGI capped at average premium in exchange. Exemptions for financial hardship.
Standard Minimum Benefit (Actuarial Value Equivalence)	60%, HHS defines.	70%, Health Benefits Advisory Committee & HHS define.
Market Reforms	Guaranteed issue, renewability. No pre-existing	Guaranteed issue, renewability. No pre-existing conditions, lifetime or



	conditions, lifetime or annual limits.	annual limits.
Rating	3:1 age, 1.5:1 tobacco.	2:1 age.
Premium & cost Sharing	400% FPL, 2.8-7% cap as percent of income.	Up to 400% FPL, 1.5-12% cap as percent of income.
ERISA Flexibility	Generally, existing individual policies and group plans are grandfathered. New employees can join grandfathered plans.	Mandates apply to ERISA plans, 5-year grandfather provision.
Small Business Tax Credit	Small employers could receive a maximum credit of up to 50% of premiums for up to 2 years if the employer contributes at least 50% of the total premium cost.	The legislation provides a 50 percent credit towards qualified expenses for employee health coverage. The credit would be available for 2 years and phases out based on employee size and compensation.
Medicaid Expansion	Expands to all adults up to 133% of FPL.	Expands to all adults up to 150% FPL.
Medicare Changes	Reduced market basket updates, and payments for preventable readmissions. Part D discounts and competitive bidding for MA plans. One year SGR fix.	Reduced market basket updates and payments for preventable readmissions. Part D rebates, closes coverage gap and reduces MA payments to 100 percent FFS. No SGR fix.
New Taxes	Tax on individuals w/o insurance and employers not providing insurance, 40% excise tax on high-cost insurance (\$8,500 individual/\$23,000 family), taxes on medical devices, elective cosmetic surgery. Medicare tax increased to 1.96% for individuals earning over	2.5% tax on individuals w/o insurance, medical devices, tax on employers who don't provide insurance and 5.4% tax on high-income individuals & families.



	\$200,000/yr and families earning over \$250,000.	
Wellness/Prevention for Employees	Allows HIPAA discount up to 50 percent of premium for employees.	Grants to employers for three years, capped at \$50,000 per firm.