

Problem Solvers Caucus Health Care Fix

Even the biggest supporters of the Affordable Care Act—which passed seven years ago—agree the U.S. health care system still has big problems that need fixing.

In too many communities, it is still too hard to find good health insurance. Choices for coverage are few. Premiums and out-of-pocket expenses are high. Meanwhile, small business owners have cited the rising cost of care as their single biggest concern in multiple surveys.

Now, a potential crisis is looming. On August 16, health insurers need to announce whether they intend to offer plans in local individual markets for the year ahead. Premiums may spike as much as 20 percent if Washington does not send a clear signal that it is willing to support and stabilize the markets.

But Washington has been locked in stalemate. Republicans trying to kill the law. Democrats trying to protect it. Neither side interested in anything in between.

Until July 31, when the congressional Problem Solvers Caucus—which features some 40 members evenly split between the parties—announced an ambitious bipartisan plan to reduce insurance premiums and shore up health care markets across the country.

It is the first, and **ONLY**, bipartisan health care plan offered in the current Congress. In fact, it is likely the single most substantive bipartisan agreement of any kind that Washington has seen in years.

Here are the key aspects of the Problem Solvers Health Care Fix.



1. Keeping Insurance Premiums Affordable

Americans earning under 250% of the poverty level depend on “cost sharing reduction” (CSR) payments from the federal government to defray out-of-pocket payments like deductibles and co-pays. Without these payments, premiums could rise almost 20 percent, according to the Kaiser Family Foundation. The plan would make CSR payments mandatory, providing critical certainty to insurance companies and relief to consumers.



Covering Chronic Conditions

Five percent of Americans account for fifty percent of the nation's health care costs. The Problem Solvers proposal creates a dedicated stability fund that states can use to reduce premiums and limit losses providing coverage—especially for those with chronic and pre-existing conditions.



Unburdening Small Businesses

The plan would adjust the “employer mandate” provision in current law; raising the threshold requiring businesses to provide health care to their employees from 50 to 500 and changing the definition of a “full-time” employee to one working 40 hours per week, from the current 35. This lifts a significant regulatory burden on businesses and eliminates the disincentive for businesses to grow beyond 50 employees.



Repeal the Medical Device Tax

There is currently a 2.3% tax on medical devices (e.g. artificial knee joints) and the costs are being passed on to consumers. The plan eliminates this tax.



Flexibility for the States

The plan makes it easier for states to innovate and enter into compacts to allow the sale of insurance coverage across state lines.

The Problem Solvers Caucus had previously agreed to a high bar for any policy to merit support from the group, requiring support from 75 percent of the entire Caucus and 51 percent of Democrats and Republicans.

The Problem Solvers Health Care Fix cleared this threshold, providing compelling evidence that this Caucus intends to operate as a true bipartisan bloc with members willing to work across the aisle to get things done.

NO LABELS