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Healthcare Alert: America's Affordable Health Choices Act of 2009

America's Affordable Health Choices Act of 2009 has held the limelight over the past two days in the nation's capital as lawmakers began negotiating the terms of a controversial healthcare overhaul. Following is an overview of the bill and its current status:

With the stimulus package in process and climate change passing the House and being considered in the Senate, Congress, with mounting pressure from the Administration, has turned its focus to comprehensive healthcare reform. H.R. 3200, the America's Affordable Health Choices Act, seeks to provide affordable healthcare for all Americans and control healthcare cost growth. Much of the current legislation focuses on expanding coverage and choice, affordability, shared responsibility, controlling costs, providing preventive services, and investing in the healthcare workforce.

What does this 1,080-page bill mean for business?

- The bill would create a health insurance exchange, which would act as a marketplace for individuals and employers to shop for insurance.
 - Along with private insurance plans, a new public health insurance option will be present. An essential benefit package, as determined by a new Advisory Committee, will serve as the baseline package for the minimum benefits that must be offered.
- Medicare and Medicaid will be expanded, and affordability credits will be available for lower-income individuals and families so that every American can have health insurance.
 - All Americans will be required to have health insurance, unless they have a hardship exemption. Otherwise, those who choose not to have insurance will pay a 2.5 percent penalty tax of modified adjusted gross income above a specified level.
- All employers must either provide health insurance coverage or contribute funds on employees' behalf. Employers choosing to contribute will have to provide a contribution based on their payroll.

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- The bill also would limit the amount of co-pays or deductibles, and enact a cap on annual healthcare spending by families. It prevents coverage being denied for pre-existing conditions, and coverage will include mental health services and other formerly optional coverage.

There is much controversy over the public option plan, as detractors argue that with caps on spending and mandated benefits, private insurers will reduce their coverage levels and Americans may lose benefits. Also, a public plan may lead to government-run healthcare, as private insurers wouldn't be able to compete with the federal government and may be forced to participate in the health exchange. Many questions about the rationing of healthcare also persist.

What is the current status of the legislation?

The House, and possibly the Senate, could pass healthcare reform legislation by the August recess. Committees are currently engaged in negotiating amendments to the legislation in keeping with this timeline. The House Energy & Commerce Committee has scheduled a 5-day markup process in the coming week.

Stay tuned for comprehensive updates from Williams Mullen/Keelen Group.

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