



FEDERATION OF AMERICAN CONSUMERS AND TRAVELERS - NEWS RELEASE -

FOR IMMEDIATE RELEASE

A Look Inside The Latest Health Care Proposals (H.R. 3200)

EDWARDSVILLE, IL, August 10, 2009 - With so much turmoil surrounding the federal government's health care initiatives, the Federation of American Consumers and Travelers (FACT) is attempting to create a summary of key provisions. The goal is to condense incredibly lengthy and convoluted language into something which all consumers can digest, so that they can then decide which way they want their legislators to proceed.

Some initial findings:

A tax surcharge would be imposed on individuals who earn more than \$350,000.00. The surcharge would start at 1% and would increase up to 5.4% for those who have a modified adjusted gross income that exceeds \$1 million.

A non-compliance tax would be imposed on individuals who do not acquire an "acceptable health insurance policy" (as determined by a government committee) for themselves and their families. This proposed non-compliance tax would be 2.5% of adjusted gross income, which would be effective after December 31, 2012. (Certain persons, including nonresident aliens, would be exempted from individual taxes.)

A non-compliance tax would be imposed on employers who do not provide their employees health care coverage which meets government-specified minimum coverage requirements. This non-compliance tax would equal 8% of the gross wages; it would be in addition to the social security tax and there would be no wage base limitation. (The Ways and Means Committee proposes an exception for small businesses that have an employee payroll of less than \$400,000.00.)

Coverage requirements would be mandated by a government committee, headed by a Health Commissioner who would be appointed by the president.

The Commissioner would be empowered to establish qualified health benefits plan standards, establish and operate a Health Insurance Exchange, and conduct compliance audits at random. (The person or entity being audited would be required to cover the Commissioner's expenses.) The Commissioner also would be free to collect data for purposes of carrying out his or her duties.

Individual states could establish health exchanges of their own, subject to providing "timely and reasonable notice to the Commissioner." Such exchanges could be terminated at the Commissioner's discretion.

A public health insurance option would be established under the auspices of the Secretary of Health and Human Services. The Secretary would collect "such data as may be required" to establish premiums and "to reduce racial, ethnic, and other disparities in health and health care." Premiums would be geographically adjusted, and would comply with the premium rules established by the afore-mentioned Commissioner.

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The Treasury would appropriate “such sums as necessary” to cover the first 90 days worth of claims reserves based on projected enrollment.

A physician or health care practitioner who agrees to participate in both Medicare and the public health insurance option would receive payments which are 5% greater than the rates paid to non-participating practitioners.

Vicki Rolens, managing director of FACT, says, “HR 3200 as drafted may or may not be passed into law. We just feel that people are entitled to know what the bill contains, and that they should make their feelings known to their congressmen. The matter is far too important to be treated in a haphazard fashion by our elected officials, but without a strong public voice there is always a danger of that happening.”

Citizens can find out how to reach their respective lawmakers by visiting <http://www.usa.gov/Contact/Elected.shtml>

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This news release is issued as a service of the Federation of American Consumers and Travelers (FACT). FACT was formed under the not-for-profit corporation laws of the District of Columbia in 1984, and currently serves more than 1 million consumers nationwide. Additional information on FACT may be found in the *Encyclopedia of Associations*, and by visiting the association's Web site (www.usafact.org). Informative, unbiased news bulletins are regularly disseminated by FACT to help its members remain current on matters which might seriously impact their lives. In addition to publishing consumer-related reports, the association provides more than 30 benefits for its members, ranging from [medical insurance](#) and [dental discounts](#) to [prescription drug savings](#), [scholarships](#) and [consumer information](#). FACT's administrative office is located at 318 Hillsboro Avenue, Edwardsville, IL 62025.