

Federal Bill for Health Care Reform Unveiled

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Earlier this week, House Democrats introduced a federal [health care reform plan](#) that seeks to make affordable health care available to an estimated 97% of Americans. The key components of the plan are as follows:

- The plan mandates that employers provide health care coverage to employees. Employers that fail to provide health care coverage will have to pay fees or penalties based on the employer's payroll (e.g., 8% for payrolls of \$400,000). The plan does provide some exceptions to such penalties and fees, including small business with payrolls under \$250,000.
- The plan also mandates that individuals maintain health care coverage or pay penalties in the form of a new tax based on his or her income. Individuals that meet a "hardship" exception would be exempted from the penalty.
- The plan provides credits for low- and moderate-income individuals and families to help fund the purchase of health care.
- The plan would create government-sponsored insurance to compete with the private sector. Those needing health care could shop for plans in a government-operated "exchange," in which private carriers could participate if they meet standard benefit requirements designed by the federal government.
- To subsidize the plan, a surtax ranging from 1% to 5.4% would be imposed on the top 1.2% of income earners.
- The plan would introduce new regulations that would prohibit health care plans and insurers from excluding coverage based on pre-existing conditions.

Barger & Wolen LLP will provide continuous updates as the bills progresses through the House and Senate.