

State-Based Universal Health Care Act of 2019

Summary & Frequently Asked Questions

Bill Summary

Sec. 1 Short title and purpose

Bill is referred to as the 'State-Based Universal Health Care Act of 2019' and describes its purpose as providing flexibility for states to offer comprehensive universal health care coverage to all residents in a given state and/or regional state collective.

Sec. 2 Waiver for State Universal Health Care

Creates a new State Innovation Waiver in the Affordable Care Act (P.L. 111-148) with a provision that allows states to combine several federal health care funding streams if the state offers a comprehensive universal health care plan that guarantees all residents of their state are covered. To be eligible for this waiver, states would have to provide a detailed description for enacting a comprehensive universal health care plan and provide an implementation plan for meeting the requirements of the waiver.

Implementation plans would have to show how states would provide health care for 95 percent of their residents, with no more than five percent spending over 10 percent of their adjusted gross income on health care. After five years, participating states would be required to demonstrate that they reached these targets and provide a plan to cover the remaining five percent of their population. States that do not reach the 95 percent target after five years would have to revise their plan to achieve the targets. Technical assistance would be available.

Makes clear that the benefits provided by states have to be equal to or greater than that which beneficiaries receive now. An independent assessment panel, made up of health care experts and officials, would evaluate for the Secretary of Health and Human Services (HHS) whether a particular state's proposal meets the requirement of providing as much as or more coverage than the individual streams. Also, the state would have to provide an assurance that it has the legal authority to implement its universal health care plan.

In order to combine streams of funding, provide flexibility, and allow for states to offer comprehensive universal health care, provisions in law that are waived pursuant to this bill include: (1) the requirements for the establishment, creation and maintenance of health benefit exchanges; (2) cost-sharing reductions under the ACA; (3) premium tax credits and employer mandates under the ACA; (4) Medicare; (5) Medicaid; (6) CHIP; (7) FEHBP; (8) TRICARE; and (9) ERISA pre-emption provision.

Waiver consideration and transparency. Not later than six months after enactment, HHS will issue regulations that provide for public notification and comment, a process for the waiver application process and reporting on the implementation and evaluation process. The HHS secretary will provide Congress an annual report on the applications received and programs conducted through the waivers granted.

Regional waiver request. Allows two or more states the option of submitting a waiver application together.

Granting of Waivers. Underscores that state coverage, among other things, would:

1. be no less and cost no more than what residents would have received under the federal program;
2. provide coverage and cost sharing protections against excessive out-of-pocket spending;
3. include all state residents, including DACA recipients, but exempts from these requirements those eligible for benefits through the Indian Health Service, the VA and military treatment facilities.

Coordination between HHS, Treasury, Office of Personnel Management, Defense, and Labor is required through an interagency MOU to ensure that all regulations are administered to have the same effect absent a waiver.

FAQs

1. Why is this legislation needed?

The State-Based Universal Health Care Act responds to the calls for complete access and greater affordability of health care for all Americans coupled with a uniquely American tradition—namely, capitalizing on the role of states as incubators of policy from our founding. As such, states should be able to provide health care for all.

2. Previous iterations of this bill supplanted ACA Sec. 1332 State Innovation Waivers, but this is a new waiver. Why did you make this change?

Unlike Sec. 1115 waivers, which some states have used to implement harmful Medicaid work requirements, Sec. 1332 waivers have been used by states across the political spectrum to reduce health care costs for residents. In order to prevent perfect from being the enemy of good, this bill leaves 1332 waivers in place, while creating a new waiver option for bold states that wish to implement true universal health care programs.

3. Why did you select these funding streams to be the basis of the state-based universal health care program?

These are the streams of federal dollars that cover the greatest number of people and will be most important for states' ability to properly fund the ambitious programs necessary to achieve universal health care coverage.

4. How will this bill affect the cost of health care for individuals, employers, states and the federal government?

This bill enables states to bring health care costs under control for the first time with several tools: (1) greatly expanding the risk pool; (2) eliminating much of the administrative and profit-oriented cost of private insurance plans, estimated to represent 15-30 percent of American dollars spent on health care; (3) allowing the creation of global health care budgets with negotiated reimbursement rates for all providers; and (4) reorienting health care towards prevention and primary care.

5. I am satisfied with my current healthcare coverage. Am I able to keep it?

Under this proposal, the coverage you receive for health care will be either equal to what you currently receive or more expansive. You will have free choice of providers. Everyone in your community will have health care.

6. How much will this cost me?

Combining streams, negotiating discounts with providers and eliminating inefficiencies will help drive your out-of-pocket costs down. In the end, your costs will depend on how each state devises its own individual state-based universal health care program.

7. How does this affect small businesses?

With all residents covered under a state-based universal health care plan, small businesses can reinvest current health insurance costs into other aspects of their business, thus helping them to be more competitive.