



# AN AMERICAN SOLUTION QUALITY AFFORDABLE HEALTH CARE

## HEALTH REFORM AT A GLANCE: PUBLIC HEALTH INSURANCE OPTION

The goal of health care reform is to provide quality, affordable health care for every American while preserving what works in today's system, expanding choice, and containing costs. The draft proposal provides a public health insurance option that would compete with private insurers within the health insurance exchange.

### PUBLIC HEALTH INSURANCE OPTION PROVISIONS IN THE DISCUSSION DRAFT:

#### OVERVIEW

- Available in the new Health Insurance Exchange (Exchange) along with all of the private health insurance plans.

#### LEVEL PLAYING FIELD

- Require public plan to meet the same benefit requirements, and comply with the same insurance market reforms as private plans.
- Establish the public plan's premiums for the local market areas that are designated by the Exchange, just as other insurers do.
- Individuals with affordability credits can choose among the private carriers and the public option.

#### SELF-SUFFICIENCY

- Public plan must be financially self-sustaining, as private plans are.
- Public plan will need to build contingency funds into its rates and adjust premiums annually in order to assure its financial viability, as private plans do.

#### INNOVATION AND COST CONTAINMENT

- Promote primary care, encourage coordinated care and shared accountability, and improve quality.
- Institutes new payment structures and incentives to promote these critical reforms.

#### PROVIDER PAYMENTS AND PARTICIPATION

- Initially utilizes rates similar to those used in Medicare; this tie is severed over time as more flexible payment systems are developed.
- Allow immediate integration into delivery reforms also contained in the discussion draft.
- Provider participation is voluntary