

HEALTH INSURANCE COVERAGE FOR THE UNINSURED Comparison of Candidates' Proposals

Bush-Cheney ¹	Kerry-Edwards ²
General approach	
Provides tax credits and HSA contributions to low-income families and small employers to help people buy private insurance. Establishes insurance pools and authorizes association health plans. Expands community and rural health centers. Estimated 11 to 17.5 million newly insured.	Expands public program coverage, provides tax credits to help people buy insurance, and expands the safety net. All Americans could buy coverage through the "Congressional Health Plan," (giving them the same range of plans currently available to members of Congress). Estimated 26.7 million newly insured.
Coverage under public programs	
Would launch a "Cover the Kids" campaign – \$1 billion over 2 years to enroll children who are eligible but not signed up in Medicaid/SCHIP.	Federal government would assume 100% of the costs of coverage for children enrolled in Medicaid. In return, states would be required to expand coverage for families up to 200% of poverty and for childless adults up to 100% of poverty. Provides \$5 billion in bonuses to states as an incentive to enroll children
Incentives to expand private coverage	
Provides low-income families (\$25,000 income or less for a family of four) with choice of: <ul style="list-style-type: none"> a tax credit of up to \$2,000 (\$700 for individuals) to assist in purchasing health insurance, along with a \$1,000 HSA contribution (\$300 individuals), or a refundable tax credit of \$3,000 (\$1,000 for individuals). Also proposes \$4 billion in grants to states for state-run insurance pools.	Provides to eligible individuals who purchase coverage through the Congressional Health Plan: <ul style="list-style-type: none"> 25% credit for 55-64 year olds whose salaries fall below 300% of poverty; and 75% credit for people between jobs and whose salaries fall below 300% of poverty. tax credit to eligible workers not eligible for public insurance or other tax credits. Credit would result in limiting health insurance premiums to less than 6% of income for workers below poverty and phase out to 12% of income for workers at 300% of poverty. Federal government would reimburse businesses ("provide a premium rebate") for 75% of the cost of catastrophic care through a new federal reinsurance program.
Small employer coverage	
Provides tax credits of \$500 per family (\$200 individual) to small businesses to fund HSAs for their employees. Allow small businesses to purchase health plans from multi-state trade associations, such as the Chamber of Commerce (Association Health Plans). Supports exempting association plans that meet certain federal requirements from most state laws.	Provides tax credit up to 50% for small businesses that pay at least 50% of the health insurance premium of employees with incomes up to 300% of poverty. Credit would be in lieu of the deduction for insurance. Small employers would be able to buy health insurance through the Congressional Health plan. Opposes Association Health Plan legislation
Safety net	
Supports increased funding to ensure that every poor county in America has a community health center or rural health center.	Supports investing in safety net providers to enable them to expand services and make capital improvements.

¹ Fact sheet: President Bush's Plan to Make Health Care More Affordable. September 2, 2004

² <http://www.johnkerry.com/index.html>; Kerry, J. and Edwards, J., *Our Plan for America: Stronger at Home, Respected in the World*, 2004.