

The Patient Choice, Affordability, Responsibility, and Empowerment Act

Illustrative Examples

TOM – A part-time retail worker who lost his mini-med plan and is now uninsured

Tom is a relatively healthy 29 year-old part-time retail worker who is taking night classes to finish his college degree. His employer previously offered him a mini-med plan – plans that typically have no deductible but a cap on benefits. While this wasn't Tom's ideal option, he liked his plan because it was affordable and met his health care needs. But his employer canceled his coverage as a result of Obamacare's mandates. Tom then decided to get a second part-time job and scale back on his classes, because he needed to make ends meet and wanted to be able to pay to see a doctor. However, his employer reduced his hours due to the health care law's employer mandate. Not knowing what else to do, Tom tried to sign up for coverage under Obamacare, only to find out that even with a subsidy the plans he was eligible for were still expensive. Because the Patient CARE Act repeals Obamacare, the employer mandate is eliminated, and mini-med plans are allowed. This means Tom's employer will be more likely to increase his hours and offer him health insurance again. Even if Tom's employer does not offer health insurance, Tom would have the option of a plan with lower premiums and more choices under the Patient CARE Act. He would be eligible for a tax credit worth nearly \$2,000 to help purchase a plan on the individual market. If Tom chose a high deductible health plan with a health savings account, he could use this credit toward contributions to his health savings account (HSA). He could also use his HSA to help pay his premiums.

SOPHIA – A middle-aged woman who is a cancer survivor

Sophia is a 54 year-old single mother with three children, ages 24, 19, and 15. She is a five-year breast cancer survivor and her youngest child suffers from severe asthma. She works hard as the bookkeeper at a local construction company and manages to make ends meet on her annual income of about \$44,000. Recently, however, the construction company let her go due to decreased demand for new homes in the area. As a result, Sophia lost her job and employer-sponsored health insurance. Under the Patient CARE Act, Sophia would be eligible for a tax credit worth more than \$11,000 to go toward purchasing a family plan on the individual market or to offset the costs of COBRA coverage – temporary coverage that is available to people like Sophia who find themselves between jobs. Since Sophia is taking responsible steps to get health coverage the week after being fired, Sophia's break in coverage will not exceed more than 60 days and she will be protected by the Patient CARE Act's continuous coverage protections. This

means whether Sophia secures health insurance through another employer or purchases a plan on the individual market, health insurance companies would be prohibited from charging Sophia a higher premium based on her or her family's pre-existing health conditions. Her children also benefit, because they can stay on her plan up to age 26 since her state has not opted-out of the federal default policy.

GREG – A single man whose income is below 100% Federal Poverty Level (FPL), but not eligible for Medicaid

Greg is a low-income individual who is above the Medicaid eligibility income level in his state, but below 100 percent of FPL (\$11,770 in 2015), so he is not able to afford health insurance under Obamacare. Under the Patient CARE Act, Greg would be able to use his health tax credit to purchase a plan that meets his health care needs.

KIM – A single woman on Medicaid who wants better choices

Kim, who suffers from multiple health conditions, including obesity and diabetes, has been on Medicaid for many years and is disappointed in the quality of her care. It is hard for her to get appointments with doctors, and she often gives up trying to seek care until she is very sick, at which point she goes to the emergency room. Under the Patient CARE Act, Kim, for the first time, would have the choice to opt-out of Medicaid and use her health tax credit to purchase a private plan with a wider network of doctors that could better meet her health care needs.

WILL – An elderly, disabled, low-income man

Will is a 66 year-old disabled gentleman from Arkansas who lives with his niece. About ten years ago, despite enjoying a successful career as a mechanic, Will fell on hard times. Through some costly medical bills and tough circumstances, his small savings eroded. Will learned from his doctor that he has diabetes and Chronic Obstructive Pulmonary Disorder (COPD). Living with his niece has helped him, but he still depends on both Medicare and Medicaid to meet his health care needs. Under the Patient CARE Act, Will would be protected. The current federal funding formula would continue to allocate dollars to states to provide medical care for aged and disabled patients like Will. Additionally, Will's home state of Arkansas, and every state, will benefit from new flexibility and tools so it can revamp its Medicaid program to be more targeted and efficient to help people like Will. Empowering states with the ability to better meet their patients' needs with predictable funding will strengthen Medicaid's safety net so it can better target taxpayer resources for individuals like Will who depend on this program for their care.

SHONDA – An entrepreneur who owns her own small business

Shonda has enjoyed running her own small floral business for the past five years. She loves the autonomy and flexibility of being a small business owner. However, she has struggled to grow her business in recent years because many potential employees take jobs with larger companies because those jobs offer health insurance. Shonda had previously offered her employees mini-med plans, but the

combination of years of double-digit premium increases and Obamacare simply put insurance out of reach for her and her employees. Under the Patient CARE Act, she and her employees would be able to use a health tax credit to purchase insurance. She and her team could benefit from lower-cost choices, expanded HSAs, and a more stable, predictable individual and small group insurance market.

MAX – Young, healthy single uninsured guy who designs websites

Max works as an independent contractor designing websites for companies. He earns about \$35,000 a year. As a young, healthy 26 year-old, Max rarely goes to the doctor and has spent more time working on his projects than really thinking about if he needs health insurance. Under Obamacare's increasing costs, Max would rather pay a fine than be forced to buy an expensive government-dictated plan that covers benefits he does not want or need. However, under the Patient CARE Act, Max would not be fined for not buying health insurance. In fact, while he would not be eligible for a tax credit, Max would have a wider array of lower-priced choices, including newly-improved HSA plans which would allow him to use pre-tax dollars to pay his premiums. If Max chose not to enroll in a plan during the initial open enrollment period, he could be medically underwritten and possibly have higher premiums if he enrolled in a health plan at a later date.

JUAN - Manager of a faith-based non-profit organization

Juan has run a small, faith-based, non-profit organization for 15 years, and he is proud of how his organization has long helped to meet unmet needs in his community. Over the years, he has struggled to find affordable coverage for him and his employees. Unfortunately, under Obamacare, Juan continues to face unaffordable options and is now not only being forced to buy a health insurance product that covers benefits he does not want or need, he is being forced to buy a product that includes coverage for services to which he morally objects. Juan wants his organization to grow and continue to help provide health coverage for his employees, but in a way that respects his and his employees' conscience rights. Under the Patient CARE Act, Obamacare's individual and employer mandates are repealed, along with HHS' mandates. Under the Patient CARE Act, Juan's rights of conscience are protected because he is not forced to buy health insurance that includes coverage for services to which he has a moral objection. Under the Patient CARE Act, protections modeled after the Hyde Amendment would be in place to ensure taxpayer funds are not used to pay for abortions, except in the limited case of rape, incest, or the life of the mother.