



National Association of Health Underwriters
 A Comparison Tax Credit Proposals in the 109th Congress

	Who gets it?	How do they get it?	Amount	Other
<p>Health Coverage for the Uninsured Act of 2005</p> <p>Sponsors: Mr. Johnson, Cantor, Ryan, Hayworth, Jindal, Manzullo, Akin, Green, Herger, Neugebauer, Camp, Drake, Pence, King, Beauprez, Nussle, Brady, Chocola</p> <p><i>H.R. 1872</i> <i>S. 978 Santorum companion bill</i></p>	<ol style="list-style-type: none"> 1. <i>Individuals:</i> with high deductible plans paired with HSA. Deduction of premium is allowed whether or not they itemize. <p>Employer qualification</p> <ol style="list-style-type: none"> 2. <i>Small employees:</i> Qualified employer must employ an average of 100 or fewer employees during either of the 2 preceding years. 3. Tax-exempt employers and governmental 	<p>Deduction determined at the end of the taxable year for those who purchase a high deductible health plan and contribute to an HSA and do not receive health insurance through their employer (or any government program) would be allowed to deduct the premium.</p> <p>Refundable tax credit</p>	<p>Refundable tax credit: Individual with employer sponsored health insurance may receive a credit of up to 90% of the health insurance premium, \$1,000 for individual and \$3,000 for family coverage and can defer up to 1/3 of the credit toward the HSA.</p> <ul style="list-style-type: none"> • Income phaseout of credit for unmarried individual coverage for those with adjusted gross incomes in excess of \$15,000 but less than \$20,000. • Phaseout for other individuals is at \$25,000. • Phaseout for married filing separately with individual coverage 	<p>Limitations/conditions on per employee dollar amount related to tax credit:</p> <ol style="list-style-type: none"> 1. \$200 for self-only coverage 2. \$500 family coverage 3. Rollovers from a qualified health savings account to another health savings account are treated as a rollover contribution if the new account is a qualified health savings account.



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	employers are <i>not</i> eligible		and modified adjusted gross income in excess of \$12,500. <ul style="list-style-type: none"> • Phaseout for credit for more than one person starts at \$25,000, not to exceed \$35,000. • Married filing separately is set at \$12,500 up to \$17,500. 	
Securing Access, Value, and Equality in Health Care Act (SAVE Act) Sponsor: Ms. Granger, Wynn, Burgess, Fitzpatrick, Mrs. Johnson, Norwood, Simpson, Boozman, Bonilla, Marchant, Neugerbauer, Cunningham, Goode,	Individuals	Refundable tax credit	<ul style="list-style-type: none"> • Individual credit of \$1,000/month plus 50% of the amount paid in excess of the base amount (\$1,000). <i>Phaseout:</i> <ol style="list-style-type: none"> 1. Joint filers phaseout begins at \$105,000 2. Individual filer, \$65,000 3. Married filing separately, zero 	Special provisions: <ol style="list-style-type: none"> 1. There is a reduced credit for participants in employer sponsored health plans which limits allowed credit to ¼ of the credit that would have been allowed the taxpayer. 2. Limit of 2 dependents



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McHugh, Sanders <i>H.R. 2089</i>				3. Special rules for married but filing separately.
Keeping Small Businesses Healthy Act of 2005 Sponsors: Hooley <i>H.R. 118</i>	<ol style="list-style-type: none"> 1. Small businesses of 100 or less 2. Self-employed 	Refundable Credit	25 or fewer employees, 60%, 26-100 employees, 40% 101 or more, 0 percent.	<ol style="list-style-type: none"> 1. Employer must provide 65% of the cost of coverage. 2. Provides qualified health insurance to at least 75% of qualified employees. 3. The percent cost of coverage cannot be less than in prior year. 4. Benefits cannot be less than in prior years.
Small Business Health Insurance Expansion Act of 2005 Sponsors: Mr. Moore <i>H.R. 2002</i>	<ol style="list-style-type: none"> 1. Small employers 	Higher amounts are available to those who purchase coverage through a qualified health benefit purchasing coalition.	Limitation on per employee dollar amount: <ol style="list-style-type: none"> 1. \$800 for self-only coverage 2. \$2,000 family coverage 3. Non-qualified plans, \$600 for self-only coverage and 4. \$1,500 for family 	<i>Qualified Employees:</i> <ul style="list-style-type: none"> • Employees with incomes not exceeding \$40,000. <ol style="list-style-type: none"> 1. People with incomes above \$30,000 will have a reduction in their allowable credit. 2. Employees with



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			<p>coverage Percentage of the credit is 40% for qualified health benefit purchasing coalition coverage and 30% in other cases.</p> <p>5. Employer obligation is 65% of premium with 70% qualified employee participation.</p>	<p>family coverage, income eligibility can not exceed \$50,000 with reduction in allowable credit beginning at \$40,000.</p> <p><i>Qualified Health Benefit Purchasing Coalition</i></p> <ul style="list-style-type: none"> • Private non-profit corporation for the purpose of selling health insurance through State licensed health issuers. • Oversight is conducted by the Secretary, but the daily operations are run by a Board of Directors. • Members to the Coalition may include small employers,



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				<p>individuals and large employers with voting rights established by the State.</p> <ul style="list-style-type: none"> • Coalitions will have at least 3 licensed health plans. The purchasing coalition can not assume insurance or financial risk. <p><i>State Grant Program for Market Innovation</i></p> <ul style="list-style-type: none"> • HHS Secretary shall establish a program to award grants to states that demonstrate effectiveness of innovative ways to increase access to health insurance through market reforms and other innovative means. • Not more than 10



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				<p>states for 5 years</p> <ul style="list-style-type: none"> • Must increase access to some portion of uninsured population (but need not cover all uninsured in the state) and be non-discriminatory. • Application is made to the Secretary • Initial planning grants not to exceed \$5 million may be made. • \$100,000,000 appropriated for each FY for this purpose. <p><i>Small Business Administration Grant Program</i></p> <ul style="list-style-type: none"> • Grants will be made to one or more states, local governments, and non-profits organizations that demonstrate new



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				<p>and effective ways to provide information about benefits of health insurance to small employers, including tax benefits, increased productivity and decreased turnover.</p> <ul style="list-style-type: none"> • Also to make employers aware of current rights in marketplace under state and federal health insurance reforms and the tax treatment of insurance premiums. • \$10,000,000 for reach of the first 5 FY following enactment.
Save Act	1. Individual advanceable tax		\$1,000 for individuals and an additional \$500 if	Coverage must come from non-subsidized



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				<p>employer sponsored covered, part of a cafeteria plan, or otherwise subsidized plan as noted above. This deduction may be taken even if the taxpayer does not owe taxes.</p> <p><i>State High Risk Pools</i></p> <ul style="list-style-type: none"> • Extends funding (\$1,000,000/per state, \$15 million total appropriation FY 05-06) in state grants to establish qualified high risk pools. • Provides additional grants to states to cover operational losses. <p>To receive the funding:</p> <ul style="list-style-type: none"> • States may not charge more than 150% of the



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				<p>applicable standard rate for the state.</p> <ul style="list-style-type: none"> • Offer a choice of two or more coverage options through the pool • Establish funding source to cover future losses <p>Pool allotments will be determined under the following formula:</p> <ol style="list-style-type: none"> a) 50% in equal amounts based on the number of state applying for assistance b) 25% based on the number of uninsured as a ratio of all uninsured in the total population c) 25% based on the same ratio as above enrolled in the risk pool <p>The Secretary has</p>



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				authority to provide supplemental assistance to states to provide: <ul style="list-style-type: none"> a) low income premium subsidy b) Reduction in premium trend, actual premiums, or other cost-sharing requirements. c) Expansion of pool including the elimination of waiting lists, enrollment caps or general flexibility in enrollment rules d) Less stringent rules and flexibility of pre-existing conditions e) Increased benefits f) Disease management programs FY06-10 appropriation is \$75 million. Reallotments will be made on June 30 of each FY.



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				<p><i>Voluntary Choice Cooperatives</i></p> <p>Secretary will establish grants to establish voluntary choice cooperatives (purchasing pools) Membership for the cooperative – must have at least two employers (employers with 100 or fewer employees), and operate as a non-profit certified under State law. The Cooperative will operate similar to the high risk pools with an independent health insurance purchasing entity run by a commission, wholly owned and administered by members of the cooperative. The commission handles all daily administration of</p>



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				cooperative including contracting, data collection, reporting and other functions provided for by the Secretary.

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