

Congress of the United States
House of Representatives
Washington, DC 20515

June 8, 2018

Let's Build on State-Level Energy & Expertise on Health Care

Become an original cosponsor of the State-Based Universal Health Care Act

Dear Colleague:

At the federal level, as we work towards ensuring a Medicare-for-All-type, single-payer system, we should also be building on the expertise and energy that resides at the state level. In fact, throughout our nation's history, our states have served as the incubator of democratic ideas and ideals.

That's why I am introducing the State-Based Universal Health Care Act of 2018 to allow states to develop their own plans to provide access to health care for all of their residents. This bill would provide states with access to federal funding streams and regulatory flexibility to support affordable, universal health care plans.

The State-Based Universal Health Care Act would require participating states to propose their own laws and implementation plans to provide access to health care for 95 percent of their residents, with no more than five percent spending over 10 percent of their annual income on coverage. 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 made available for states seeking help in developing these plans.

The State-Based Universal Health Care Act makes clear that benefits provided by states would have to be equal or greater than what beneficiaries receive now. To minimize political interference, an independent panel of health care experts and officials would evaluate for the Secretary of Health and Human Services whether a particular state's proposal meets the requirement of providing as much as or more coverage than the individual streams.

The regulatory flexibility provided and funding streams combined include: (1) the requirements for the establishment, creation and maintenance of health benefit

exchanges; (2) cost-sharing reductions under the ACA; (3) premium tax credit and employer mandate under the ACA; (4) Medicare; (5) Medicaid; (6) CHIP; (7) FEHBP; (8) TRICARE; and (9) ERISA pre-emption provision.

States have always been the laboratories for innovative policy. Let's turn to them this time to help provide health care for all.

Sincerely,

A handwritten signature in black ink, reading "Pramila Jayapal". The signature is fluid and cursive, with the first name "Pramila" being larger and more prominent than the last name "Jayapal".

PRAMILA JAYAPAL
Member of Congress

State-Based Universal Health Care Act
SECTION-BY-SECTION SUMMARY--HIGHLIGHTS
June 2018

Sec. 1 Short title and purpose

Bill can be referred to as the 'State-Based Universal Health Care Act of 2017' and describes the purpose of the bill as providing flexibility for states to offer comprehensive universal health care coverage to all residents in a given state.

Sec. 2. Waiver for State Universal Health Care

Replaces the existing Sec. 1332 State Innovation Waivers 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 as to what the proposed state law would be for enacting a comprehensive universal health care plan and also provide an implementation plan for meeting the requirements of the waiver.

Implementation plans would have to show how states would provide access to health care for 95 percent of their residents, with no more than five percent spending over 10 percent of their annual income on coverage. 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 for states seeking help in developing these plans.

Makes clear that the benefits provided by states have to be equal or greater than what 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.

In addition, a state applying for a waiver would need to provide a ten-year budget plan and show how the plan would be budget neutral for the federal government.

Finally, the state would have to provide an assurance that it has enacted a state law to handle 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 credit and employer mandate 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; and
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.

Definitions. The terms 'health benefits coverage', 'resident', 'secretary', and 'specified federal health program' are defined.

Grandfathering. Waivers under the existing 1332 waiver process of the ACA are set to be grandfathered until they expire, at which point, states with existing 1332 waivers or in the process of obtaining one can choose to continue with the old 1332 waiver for a defined period to apply for the new one.

State-Based Universal Health Care Act
FREQUENTLY ASKED QUESTIONS
June 2018

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 have the opportunity to provide health care for all residents if the political will exists. Already, we have seen poll after poll that indicates that the American people are ahead of Congress in demanding health care for all. For example, a Commonwealth Fund ACA Tracking Survey from the end of last year found that 92 percent of working-age adults think that all Americans should have the right to affordable health care.

2. Why is the bill supplanting the Sec. 1332 waivers?

Currently, some states are using Sec. 1332 waivers to impose barriers to affordable health care like Medicaid work requirements. This bill would ensure that waivers would be used only to provide access to care, not take it away.

3. What about states with existing Sec. 1332 waivers or those in the process of getting waivers at the time this becomes law?

Sec. 2(c) in the bill allows for states to be grandfathered in if they already have a Sec. 1332 waiver or to be folded into the new state-based universal health care process.

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

This builds on the existing ACA Sec. 1332 State Innovation Waivers. These are the streams of federal dollars that cover the greatest number of people and will be most important for states' ability to lower costs by expanding the risk pool and to achieve universal health care coverage.

5. 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.

6. 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 the community you live in will have health care.

7. 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.

8. How would this work in an environment where President Trump is dismantling the ACA? What happens if ACA gets repealed?

The president's attempts to repeal the ACA have increased the American public's support for it and for the idea that everyone should have access to health care. The president's ongoing administrative actions to dismantle the ACA underscore the urgency of finding new ways of protecting and expanding access.

9. 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.