Appendix II

Scenarios Under Reform

TODAY

Under today's system, insurance companies look at dozens of different factors to determine how much they will charge you for health care coverage. Your medical history, your family's medical history, where you live, how old you are, whether you are married, whether or not you are employed, what kind of job you have, whether you are rich or poor, how soon you are likely to have children — these are some of the circumstances they consider when making judgements about what you will pay.

Today's health care system motivates insurance companies to weed out the sick and cover the healthy. Certain populations can only obtain coverage at high prices or can't get coverage at all. Others pay artificially low prices only to find that their insurer drops them when they need health care the most. If you work for a small business or are self-employed, you may have faced the worst of these problems. Insurers may quote you different prices, and you never know what you might pay from one year to the next.

If you have been sick or injured, you could pay a lot for a "bare bones" benefits package. Or, if you are lucky, you may pay a small amount for a good benefits package. You could pay a lot because you have been labeled "high risk." Or, you could pay nothing if your employer pays 100% of your premium. You might not even know what you pay. And you can not be sure that what you pay today will be what you'll pay tomorrow.

THE HEALTH SECURITY ACT

Under the Health Security Act, your premiums will be predictable and easy to figure out. If you are a full-time employee in a business, you and your employer will only need to know whether you are buying a policy for a single person, a married couple, a single-parent family, or a two-parent family. Employers will all contribute for their workers, and their combined payments will cover 80% of the average-priced plans in that region. Individual contributions will make up the difference — if you choose an average-priced plan, you will pay 20%. If you choose a plan that provides the same comprehensive benefits at a lower price, you will pay less. If your employer pays the entire cost of the premium, as many do today, you will pay nothing at all. If you choose a higher cost plan, you will pay more.

The following scenarios are used to show how much people will pay under reform. The individuals described are not real people, but their situations are illustrative of the impact of health reform. The national average premiums are used to represent the premiums in each alliance, although these amounts will vary by state and by region. These cases are based on average-priced plans, although consumers will be able to choose less expensive plans or more expensive plans.

Policy Type	National Premium*	Family Share (Per Month)	Family Share (Per Year)
Two-Parent Family with Children	$4,360	$73	$872
Single-Parent Family	$3,893	$65	$779
Couple	$3,865	$64	$773
Single Person	$1,932	$32	$386

** 1994 Preliminary Estimates*

EMPLOYER SHARE

The employer share is a fixed amount. Employers only need to know whether their employee is buying a single, couple, or family policy to know what they will pay.

Policy Type	Employer Share
Two-Parent Family with Children	$2,479
Single Parent	$2,479
Couple	$2,125
Single Person	$1,546

** 1994 Preliminary Estimates*

For couples and families — who often have two workers — employers will pay the same amount per worker. This method will be clear and simple for employers and will prevent them from having to go through the complex process of coordinating policies with a spouse's employer or having to suddenly change contributions when there is a divorce or a spouse is laid off. There will be one employer price for family policies, regardless of whether both spouses work, or how many children they have. This will make things simpler for employers — they won't have to coordinate with other companies where their employees' spouses work, or suddenly change contributions in the event of a spouse being laid-off or a couple divorcing. Alliances will calculate the per worker contribution based on the average number of workers in couples and families. For example, since the average family has 1.4 workers, an individual employer's contribution is less than 80% — in fact only 57% of the family premium. When employer contributions are totaled they will add up to 80% of couples and family premiums in the alliance.

TWO-PARENT FAMILY

Today:

Mary Sampson manages a small law office in San Jose, California. She makes $35,000 a year. Her husband, a minister, earns $30,000 a year. Today, they get their coverage through Mary's employer, who pays half their premium. They pay $2,940 a year, 8% of her salary, for their health care premiums alone, not including co-payments and deductibles.

Reform:

Assuming they choose an average-priced plan, the premium for Mary Sampson and her husband will be around $872 a year, or $73 a month. They could choose a higher cost plan, which would cost them more, or a lower-cost plan, which would cost them less.

	Policy Type	Premium	The Sampsons Pay (Per Year)	The Sampsons Pay (Per Month)
TODAY	Two-Parent Family	$5,880	$2,940	$245
REFORM	Two-Parent Family	$4,360	$872	$73

COUPLE

Today:

Dennis and Barbara Rutherford, who live in Hannibal, Missouri have a combined income of $21,200. Dennis was laid off from his high paying job with a large manufacturing firm in late 1990. At that time, both Rutherfords lost their health care coverage. They have been turned down for other coverage because of pre-existing conditions — Dennis' high blood pressure and Barbara's history of breast cancer. Since then, they have been unable to afford the $9,000 a year ($750 a month) premium offered by the only plan that will accept them.

Reform:

If Dennis and Barbara enrolled in an average priced plan, they would pay 20% of the $3,865 annual premium for a couple — $773 a year, or $64 a month. Under reform, insurers will no longer be allowed to use pre-existing conditions to bar the Rutherfords from coverage.

	Policy Type	Premium	The Rutherfords Pay (Per Year)	Pay (Per Month)
TODAY*	Married Couple	Uninsured	Uninsured	Uninsured
REFORM	Married Couple	$3,865	$773	$64

** Barbara and Dennis were offered a plan costing $9,000 dollars, but were unable to afford it. Today they pay nothing and are uninsured.*

INDIVIDUAL

Today:

Sara Bender, a 28-year-old broadcast journalist, lives in Columbus, Ohio, and makes $34,000 a year. Because she works for a firm which gets a lower cost premium for its healthy workers, she has been paying only $300 a year, or $25 a month for her health care coverage.

Reform:

If Sara enrolled in an average cost plan she would pay 20% of the $1,932 annual premium for a single policy — $386 a year, or $32 a month. Sara will pay more, but she will have the security of knowing that her coverage will always be there, and that her costs won't rise unexpectedly as she gets older.

			Sara Pays	
	Policy Type	Premium	(Per Year)	(Per Month)
TODAY	Single Person	$1,200	$300	$25
REFORM	Single Person	$1,932	$386	$32

SELF-EMPLOYED CONSULTANT

Today:

Susan Addington is a single parent living in Virginia. She is self-employed with an income of $40,000 a year. Because her son has a serious chronic illness, she paid $3,000 in out-of-pocket costs and $5,000 in insurance premiums in just one year. Because she is self-employed, she was only able to deduct 25% of her $5,000 premium or $1,250 of these costs.

Reform:

For the family share of her premium, for an average-priced plan, Susan will pay 20% of the $3,893 annual premium for a single parent family — $779 a year. She will also pay the employer share for a single parent — $2,479, for a total of $3,258-a-year or $272 a month. And she will be able to deduct 100% of the premium.

	Policy Type	Premium	Family Share	Employer Share	Susan Pays (Per Year)	Susan Pays (Per Month)
TODAY	Single Parent	$5,000	NA	NA	$5,000	$417
REFORM	Single Parent	$3,893	$779	$2,479	$3,258	$272

SMALL BUSINESS

Today:

Mr. and Mrs. Jones, who have two children, own a flower shop which is incorporated. They have three employees — Matt, Jane, and Scott. Matt is a 16-year-old high school student who comes to work part-time after school. Jane and Scott are both single and work at the shop full-time. Their average payroll, which includes the Jones's salary, is $17,000 per year per worker.

Last year, Mr. and Mrs. Jones could not afford to provide health insurance for their employees. However, they did independently purchase a policy to cover their family — at a cost of $5,200.

Reform:

Without any discounts, the flower shop will pay the employer share of $1,546 each for Scott and Jane for a single person policy, and $2,479 each for Mr. and Mrs. Jones for a two-parent policy — a total of $8,050.

As a result of discounts offered to small business, the flower shop's contribution for each employee will be limited to 5.3% of the average payroll however. The flower shop will pay no more than $901-per-year or $75-a-month for each worker. For all four workers and their dependents, the cost will total no more than $3,604 per year.

Because Matt is covered under his parent's policy, the flower shop will not contribute towards his health insurance.

In addition to what they pay as owners of the shop, Mr. and Mrs. Jones will pay the employee share of their family policy — $872 per year if they enroll in an average-priced plan. In total, Mr. and Mrs. Jones will have family coverage for $2,674 per year — saving $2,525 from what they are currently paying.

Another way of looking at it is that for $4,476 — $2,674 for the Jones' family coverage and $901 each for Jane and Scott — they will provide coverage for themselves and their employees.

UNION WORKER

Today:

Aleesha Maiuz is a factory worker in St. Louis, Missouri, making $36,000 a year. As a union member, she receives comprehensive benefits for which her employer pays the full amount. Her husband works at a local grocery store which does not offer health care coverage. He is covered under Aleesha's plan.

Reform:

Under the Health Security Act, Aleesha's employer will still be able to provide 100% of health benefits. Her employer's contribution for a family premium will be sharply reduced because the cost of families will be spread across all employers, and her employer will no longer be indirectly paying the unpaid medical bills of the uninsured. Lower costs for the company may mean an increase in wages for Aleesha, and will mean that Aleesha's benefits are more likely to be preserved in the future.

TEACHER

Today:

Jonathan O'Hara teaches sixth grade in Des Moines, Iowa, making $28,000 a year. Under his union contract, he receives comprehensive benefits at no personal cost. His wife, Rebecca, is a nurse, and is covered under Jonathan's plan.

Reform:

Under the Health Security Act, Jonathan and Rebecca will continue to receive the comprehensive package of benefits they receive today. They will stand a better chance for wage increases over time because the local school district, like other employers that have offered generous benefits, will see its premium costs go down. Under reform, it will no longer be indirectly paying for the unpaid medical bills of the uninsured.

In addition, the school district will see its costs go down because the hospital where Rebecca works will begin contributing to the cost of their family policy. Under reform, businesses that employ two-earner couples will no longer bear the cost of family coverage alone.

PROFESSIONAL COUPLE

Today:

Michael and Elizabeth Sands work and live in Memphis, Tennessee, and together earn almost $90,000 a year. Elizabeth is a graphic artist, making $40,000. Although Elizabeth's firm offers her health insurance, the couple chooses to receive their coverage through the architectural firm where Michael works, because it provides a more generous, comprehensive benefits package. Today, the Sands pay $720 a year, or $60 a month, for this coverage. The total premium costs $4,400 a year, and the architecture firm pays the rest.

Reform:

The Sands want to stay with their current plan. Under reform, this plan will cost less than it does today because it will no longer pay for the uncompensated care delivered to the uninsured, saving 10% of the current premium cost.

The average cost of a couple premium in the Sands' alliance is $3,865 but the Sands pick a plan that will cost $4,000. They will pay the difference between 80% of the average cost plan, which is $3092, and $4,000, or $908 a year, $75 a month.

Under reform, the Sands may pay their family share either by having it subtracted from his paycheck or from hers. For fifteen dollars more a month, the Sands will be getting the same high quality, comprehensive benefit package they do today, but with the assurance that they can never lose it.

			The Sands Pay	
	Policy Type	Premium	(Per Year)	(Per Month)
TODAY	Married Couple	$4,400	$720	$60
REFORM	Married Couple	$4,000	$908	$75

LOW-INCOME FAMILY

Today:

Lars and Brenda Gustafson recently had a new baby, and Brenda resigned from her job shortly before the baby was born. Lars works for a messenger service in Minneapolis, Minnesota and takes home about $250 a week, or $13,000 a year. His employer does not offer him health insurance. As a result, he and his family have been uninsured for over two years and are struggling to pay the hospital bill from the birth of the baby.

Reform:

Provided Lars and Brenda choose an average price plan, they will pay 20% of $4,360 or $872 for a two-parent family policy. However, because Lars is in a two-parent family with income less than $14,781 a year, Lars is eligible for a discount, reducing his premium to $384 a year.

			The Gustafsons Pay	
	Policy Type	Premium	(Per Year)	(Per Month)
TODAY	Two-Parent Family	$0	$0	$0
REFORM	Two-Parent Family	$4,360	$384	$32

LOW-INCOME COUPLE

Today:

Linda Bradley, from Beaver Dam, Wisconsin, works in a local print shop making $13,570 a year. Her husband Doug is a freelance photographer but has been unable to find work in the last year. Today, they pay $50 a month for a meager benefit package they obtain through Linda's employer. Her employer, a small business, contributes $600 a year, half the premium. The policy has a high deductible and provides limited benefits.

Reform:

Because Linda and Doug select an average-priced plan and their combined income is below 150% of poverty, they are eligible for a discounted premium of $503 a year, or $42 a month, for comprehensive coverage.

	Policy Type	Premium	The Bradleys Pay (Per Year)	The Bradleys Pay (Per Month)
TODAY	Married Couple	$1,200	$600	$50
REFORM	Married Couple	$3,865	$503	$42

PART-TIME WORKER WITH NO NON-WAGE INCOME

Part-time workers (defined as working more than 10 but less than 30 hours a week), who have no non-wage income, will pay 20% of the premium in their area for their policy type, assuming they enroll in an average-priced plan. Their employers will pay a pro-rated amount of the employer share based on the number of hours worked.

Today:

Lee Harris, of Cleveland, Ohio, was laid off from her job after a big downsizing at her former company. Lee was unemployed for over a year and recently took a job delivering pizzas 20 hours a week. Lee makes $10 an hour and has no non-wage income. Lee can only afford a bare bones policy which costs her $840 a year. Her employer contributes nothing towards her coverage.

Reform:

Assuming Lee picks an average-priced plan, she will pay 20% of the individual policy — $386 a year, or $32 a month. Her employer will only pay two-thirds of the employer share for a single person — $1,033 a year, or $86 a month. Since Lee has no non-wage income, federally-funded discounts will pay for one third of the employer premium.

			Lee Pays	
	Policy Type	Premium	(Per Year)	(Per Month)
TODAY	Single Person	$840	$840	$70
REFORM	Single Person	$1,932	$386	$32

PART-TIME WORKER WITH NON-WAGE INCOME

Part-time workers with substantial non-wage income, for example those with most of their income from rental property, are liable for the remaining portion of the employer share.

If you work ...	Your employer pays	You pay ...
10 hours	1/3 of employer share	2/3 of employer share
15 hours	1/2 of employer share	1/2 of employer share
20 hours	2/3 of employer share	1/3 of employer share

Today:

Mary Wortheimer is a 45-year-old widow who receives $60,000 a year from her husband's estate. She works 10 hours a week at a local boutique. She makes an extra $6,000 a year at the shop for a total income of $66,000 a year. She buys a single policy for herself at a cost of $1,800 a year.

Reform:

The boutique will pay one third of the employer premium — $516 per year, or $43 per month. If she enrolls in an average-priced plan, Mary will pay 20% of the individual policy premium — $386 a year or $86 a month in her area. Because Mary has substantial non-wage income and works one third of the week, Mary is also responsible for two thirds of $1,549, the employer share for a single policy — $1,033 per year, or $86 per month. Mary's total health insurance premium will be approximately $1,419 per year, or $118 a month.

	Policy Type	Premium	Family Share	Employer Share	Mary Pays (Per Year)	Mary Pays (Per Month)
TODAY	Single Person	$1,800	NA	NA	$1,800	$150
REFORM	Single Person	$1,932	$386	$1,033	$1,419	$118

SELF-EMPLOYED FARMER

Today:

James Huggins, a self-employed family farmer in Kansas, makes $25,000 a year and has struggled to pay for health care coverage for himself, his wife and his 10-year-old son. James, like many rural residents, has had trouble getting and keeping insurance. And unlike a business, he is only able to deduct one fourth of the $4,000 he pays in premiums each year.

Reform:

If James enrolls in an average cost plan, he will pay 20% of the $4,360 annual family premium or $872 a year. Like a business, James will also pay the employer share of his premium, which would normally be $2,479. However, that amount would exceed 7.9% of James' $25,000 income, the limit on what employers are required to pay. Instead James will pay 7.9% of $25,000 or $1,975 for his employer share. James will pay a total of $2,847 a year, or $237 a month. For the first time, James Huggins will be also be able to deduct from taxable income the full cost of his health care premiums.

	Policy Type	Premium	Family share	Employer Share	James Pays (Per Year)	James Pays (Per Month)
TODAY	Two-Parent Family	$4,000	NA	NA	$4,000	$333
REFORM	Two-Parent Family	$4,360	$872	$1,975*	$2,847	$237

**Capped at 7.9%*

MEDICARE BENEFICIARY

Medicare beneficiaries will have the same guaranteed health security they have today, plus a new prescription drug benefit that will be integrated into Medicare Part B. Beneficiaries will continue to pay their Part B premium just as they do today. They will pay an additional $11-a-month for the new prescription drug benefit.

Today:

Claude and Gertrude Anderson are retired farmers living on a fixed income of about $40,000 a year in West Virginia. Today, they receive Medicare coverage and pay $36.60 for their Part B premium. They also buy a Medigap policy for $1,200 a year to help cover their prescription drug costs, co-payments and deductibles.

Reform:

Under reform, Claude and Gertrude will be covered by a new prescription drug benefit through the Medicare program. They will pay $11-a-month for this new benefit. It will provide them with coverage for 80% of their monthly $300 prescription drug costs after they meet a $250 deductible. And they will not pay more than $1,000 a year in prescription drug costs.

The Andersons will continue to pay their Medicare Part B premium just as they do today. The $100-a-month the Andersons pay for their Medigap policy will either decline to account for the new Medicare drug coverage, or cover additional services.In addition, Medicare certified managed care plans, which frequently have lower deductibles and co-payments, will be more available as an option.

	Policy Type	Part B Premium (Per Month)	Prescription Drug Premium (Per Month)	The Andersons Pay (Per Month)
TODAY	Medicare Beneficiary	$36.60	$0	$36.60
REFORM	Medicare Beneficiary	$36.60	$11	$47.60

** 1993 Medicare Part B premium; 1994 projections have not been released as of the writing of this book*

WORKING MEDICARE BENEFICIARY

Working Medicare beneficiaries will join the alliances in their areas. While they are working, their employers will pay the employer share of their premium. Just like everyone else, they will pay 20% of the premium for their policy type if they enroll in an average-priced plan.

Today:

Larry Watson is a 68-year-old Medicare beneficiary who works in a law firm in Omaha, Nebraska. Today, he pays $36.60 a month for his Part B premium. His employer pays nothing towards his health care coverage.

Reform:

Under reform, Larry will be able to get his Medicare coverage through his local health alliance and receive the guaranteed comprehensive package of benefits. His employer will pay the employer share of the single person premium, and Larry will pay 20% of the average premium in his alliance assuming to enrolls in an average-priced plan — $386 a year, or $32 a month.

			Larry Pays	
	Policy Type	Premium	(Per Year)	(Per Month)
TODAY	Working Medicare Beneficiary	NA	$439	$36.60
REFORM	Working Medicare Beneficiary	$1,932	$386	$32

** When Larry stops working, Medicare will pay for his benefits. Larry will pay the Part B premium and the $11-a-month for prescription drug coverage.*

MEDICAID BENEFICIARIES (AFDC AND SSI)

The federal and state governments will continue to make payments for health coverage for individuals eligible for Aid to Families with Dependent Children (AFDC) and Supplemental Security Income (SSI). However, instead of paying doctors and hospitals directly, Medicaid will pay premiums to the alliance.

Today:

Pamela Johnson is a single, unemployed mother of two young children. Because she has only $300 in savings and is earning no income, she qualifies for cash assistance through the AFDC program, and she and her children receive their health insurance through the Medicaid program in their home state of Vermont. She has encountered numerous doctors who refuse to treat her because of low Medicaid reimbursement rates. In addition, Pamela would like to get off welfare and return to work, but she can't afford to lose her Medicaid coverage for herself and her two children.

Reform:

Just like everyone else, Pamela and her children will be able to enroll in a health plan through the regional alliance. For the first time, Pamela will have a choice about which health plan to enroll in. She will receive the same comprehensive package of benefits as everyone else. Medicaid will cover the cost of the average family premium in the alliance. If Pamela chooses a plan with average or below-average costs, she will be responsible only for her co-payments. If she chooses a more expensive plan, she will pay the portion of her premium that is above the average in her alliance.

Pamela and her children will continue to be eligible for supplemental services, such as non-emergency transportation, currently offered by Medicaid programs. If they join an HMO she will pay a $2-per-visit rather than the standard $10-per-visit. For the first time, Pamela will have the freedom of knowing that she will have health care coverage, making it more feasible to go to work.

MEDICAID BENEFICIARIES WHO DO NOT RECEIVE AFDC OR SSI

Today:

Alexandra Warren is single, and works as a waitress at George's Coffeehouse in rural California at minimum wage. Although her annual income is 115% of poverty, she is eligible for Medicaid because she has a chronic and costly illness which requires frequent hospitalization and which, when the costs are deducted from her income, makes her eligible for Medicaid in her state.

Reform:

Under reform, Alexandra will no longer rely on Medicaid for her health benefits. She will select a health plan through the regional alliance, and share the costs of her coverage with her employer. Since Alexandra earns only $8,256 a year — less than 150% of poverty — she will be eligible for a discounted premium. Alexandra will pay $267 a year, or $22 a month if she chooses an average-cost plan.

			Alexandra Pays	
	Policy Type	Premium	(Per Year)	(Per Month)
TODAY	Single Person	Medicaid Pays		
REFORM	Single Person	$1,932	$267	$22

CHILD WITH DISABILITIES

Today:

Alec Moore is a 10-year-old child with severe cerebral palsy. He lives at home with his parents. Both of Alec's parents work outside the home, but because of his condition they cannot afford health insurance. Today, Alec receives Medicaid coverage because his state provides Medicaid coverage to "medically needy" individuals who, although they do not meet the normal income criteria for Medicaid, have medical expenses that are very hig.

Reform:

Under reform, Alec will continue to receive all of the services he is eligible for today. His parents will obtain health insurance through their employers, and their policies will cover him for all services included in the comprehensive benefits package.

Both their employers and Alec's family will gain from health reform: Alec will have the guarantee of health security with no lifetime limits on coverage. His parents will know that they will never confront a situation in which they will be unable to obtain coverage because of his condition. Their employees will not be faced with the dilemma of unusually high premiums caused by having someone with high medical costs in their health insurance group.

Assuming they choose an average cost plan, Alec's parents will pay 20% of the premium for a family plan, $872 a year, or $73 a month.

UNDERGRADUATE STUDENT

Today:

Jason Loewith is a 19-year-old sophomore at Tulane University in New Orleans. His parents, who claim Jason as a dependent for tax purposes, live in Connecticut. He pays nothing for his health insurance because he is covered under his family's plan. Jason works for the University part-time, in the admissions office.

Reform:

Because he is a dependent student, Jason's family will continue to pay for his coverage through their alliance in Connecticut. That alliance will transfer a portion of the family's premium to an alliance in Louisiana, which will provide Jason's coverage. Neither Jason nor his employer, the university, will contribute to his premium costs, because of his status as a student and a dependent.

UNEMPLOYED INDIVIDUAL

Today:

Last year, Ann Tilson, a travel agent in a small company in Vidalia, Georgia, was diagnosed with multiple sclerosis. As a result, her employer's insurance company raised their premiums substantially. Ann later had to quit her job.

Today, Ann cannot get coverage from any other insurer for her preexisting condition, so she elected, under the COBRA law, to remain insured by the same company that provided her coverage when she worked for the travel agency. Although she has insurance, she is responsible for paying the entire $625 monthly premium herself. Ann's parents help her with the money.

Reform:

Because Ann is unemployed and has no non-wage income other than unemployment insurance, Ann will not have to pay for her health coverage until she finds a new job. Ann will receive the guaranteed benefits package and will continue to be able to see the same doctor she sees today.

When Ann finds work, her employer will be responsible for the employer contribution and she will be responsible for the employee contribution but, unlike today, those contributions will be both predictable and affordable, and she will not pay extra for her health coverage because she has multiple sclerosis.

FEDERAL EMPLOYEE

Today:

Corinne Quigley is a 38 year old employee of the U.S. Department of Agriculture. She and her husband and two children live in Washington DC. Corrine obtains her health insurance through the Federal Employees Health Benefits Plan (FEHBP), which combines all federal employees in the area into a large purchasing pool to offer a large number of insurance plans. All federal employees, including Corinne, have a broad range of plans to choose from, and the same premium applies to all federal employees of a given family size, regardless of age or health status. Corinne pays $1,000 a year or $83 a month.

Reform:

Under reform, federal employees like Corinne will join the regional alliance with other residents in their area. Similar to the FEHBP, an alliance will offer an array of health plans, and the same premium will be charged, regardless of age or health status. All members will have many plans to choose from, and will be able to change plans once a year. Assuming the Quigleys enroll in an average-priced plan, they will pay 20% of the average family premium in their alliance — $872 a year, or $73 a month.

	Policy Type	Premium	The Quigleys Pays (Per Year)	The Quigleys Pays (Per Month)
TODAY	Two-Parent Family	$4,000	$1,000	$83
REFORM	Two-Parent Family	$4,360	$872	$73

VETERANS

Veterans with service-connected disabilities and low-income veterans will be eligible to receive the nationally guaranteed comprehensive benefit package through the Department of Veteran Affairs with no co-payments or deductibles. They will continue to be eligible for supplemental services offered by VA, such as treatment for post-traumatic stress disorder, and certain dental services.

Today:

Al Green, a 52-year-old single veteran, lives in Ann Arbor, Michigan and works in a neighborhood store. Al lost a leg in the Vietnam War, and he receives his health care free-of-charge from the VA.

Reform:

Al will have the opportunity to choose from among several health plans offered through his alliance. If Al opts to receive his health care through another health plan and chooses an average-cost plan, he will pay 20% of the individual policy — $386 a year, or $32 a month. The store where he works will pay the employer share.

If he chooses the VA plan, Al's employer will pay the employer share of his premium, and the VA will pay his 20% share of the premium to the alliance.