

### **Essential health insurance reforms**

Approximately 61% of the state (381,000 residents) receives health care coverage from an employer or through policies purchased on the individual market. Under the legislation, individuals with insurance can keep the coverage they have now, and it will get better. The insurance reforms in the bill prohibit annual and lifetime limits, eliminate rescissions for individuals who become ill while insured, ban coverage denials for pre-existing conditions, and reduce the cost of preventive care. To rein in soaring insurance costs, the reforms also limit the amount insurance companies can spend on administrative expenses, profits, and other overhead.

### **Historic health care tax cuts**

Those who do not receive health care coverage through their employer will be able to purchase coverage at group rates through the new health insurance exchange. To make this insurance affordable, the legislation contains the largest middle-class tax cut for health care in history, providing middle class families with incomes up to \$88,000 for a family of four with tax credits to help pay for coverage in the exchange. For a family of four making \$50,000, the average tax credit will be approximately \$5,800. There are 156,000 households in Vermont that could qualify for these credits if they purchase health insurance through the exchange or, in the case of households with incomes below 133% of poverty, receive coverage through Medicaid.

### **Coverage for individuals with pre-existing conditions**

There are 7,000 uninsured individuals in the state who have pre-existing medical conditions like cancer, heart disease, and diabetes. Under the bill's insurance reforms, they cannot be denied affordable coverage.

### **Financial security for families**

There were 600 health care-related bankruptcies in Vermont in 2008, caused primarily by the health care costs not covered by insurance. The bill caps annual out-of-pocket costs at \$6,200 for individuals and \$12,400 for families who purchase insurance through the exchange or who are insured by small businesses. It also eliminates annual and lifetime limits on all insurance coverage. These reforms ensure that no family will have to face financial ruin because of high health care costs.