

# AMERICARE HEALTH CARE ACT OF 2006

## Bill Summary

**OVERVIEW:** The AmeriCare Health Care Act ("AmeriCare") is a practical proposal to ensure that everyone has health coverage in our country. It builds on what works in today's health care system to provide simple, affordable, reliable health insurance. People would continue to obtain health coverage through their employer or they would be covered under the new AmeriCare system, modeled on Medicare.

Using the administrative efficiencies within Medicare and building on the existing coverage people receive through their jobs today, we can create an affordable, efficient, and stable universal health care system in America – and guarantee access to medical innovation and the world's most advanced providers and facilities.

**BENEFITS:** All residents of the U.S. and its territories are eligible to receive benefits through AmeriCare. The practical AmeriCare benefits package is tailored to meet the needs of working people and their families, including:

- Preventive services
- Physician services
- Hospital services
- Maternity coverage
- Prescription medications
- Mental health services
- Affordable cost sharing and a realistic limit on out-of-pocket costs

AmeriCare provides additional benefits for children under age 24 and people with modest income. Supplemental benefits could be offered by employers or purchased through private insurance companies. It also improves Medicare's existing benefit structure to conform with AmeriCare, providing streamlined cost-sharing and lower drug prices -- without a donut hole.

**FINANCING:** AmeriCare is financed through contributions from employers, individuals, and states, all of whom pay into our current health care system. Unlike today's system, however, AmeriCare will save billions of dollars by utilizing Medicare's highly efficient administrative infrastructure that operates on a 2% margin. Requiring the Secretary to negotiate with the pharmaceutical industry for reasonable prices and expanding the use of health information technology in the clinical setting will achieve additional savings. The efficiencies gained from these steps will keep AmeriCare's premiums affordable.