



The Patient Protection and Affordable Care Act

Community Health Insurance Option

The Patient Protection and Affordable Care Act will establish a non-profit community health insurance option to compete on a level playing field with private health insurers to make health coverage more affordable and stable, and to advance innovation in health coverage design with a focus on the public good, instead of private profits.

New Coverage Option

- ✓ The community health insurance option will be available to Americans who purchase health insurance through an Exchange, along with private health insurance.
- ✓ Participation in the community health insurance option will be completely voluntary for health care providers and individuals.
- ✓ The community health insurance option will provide the same health coverage as private health insurers.

Promote Competition

- ✓ Ninety-four percent of U.S. insurance markets are highly concentrated, a condition that “systematically undermine(s)” the physician’s role by giving large insurance companies too much power. [American Medical Association, 2008]
- ✓ Rather than the current “race to the bottom”, in which private health insurers deny coverage and refuse to pay claims, the community health insurance option will encourage competition based on cost and quality, lowering premium costs for all insurance plans.

Level Playing Field

- ✓ The community health insurance option will be subject to the same rules and requirements as private health insurers and Consumer Operated and Oriented Plans (CO-OPs).
- ✓ Premiums will be based on local rates and will be sufficient to cover expected costs.
- ✓ Reimbursement rates will be negotiated with health care providers, in the same way private insurance companies negotiate rates, and participation by providers will be completely voluntary.
- ✓ The community health insurance option will receive a federal start-up loan, which it will be required to repay.

Affordable, Stable Coverage

- ✓ While private insurance companies frequently leave markets or eliminate unprofitable plans, the community health insurance option will provide American families with stable coverage.
- ✓ The community health insurance option will pool the purchasing power of all enrollees nationwide to lower health care costs.
- ✓ The community health insurance option will not increase premiums for shareholder profits, marketing costs, or executive compensation.

States’ Freedom Not to Participate

- ✓ States retain the right to determine whether the community health insurance option will be available to citizens in their state.
- ✓ States may opt out of the community health insurance option if they determine it is not a good alternative for their citizens, and may opt back in, at any time.