

State-Based Universal Health Care Act – Summary

Sec. 1 Short title and purpose

Bill can be referred to as the ‘State-Based Universal Health Care Act of 2021’ 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

Creates a new State Universal Health Care Waiver 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 action would be for enacting a comprehensive universal health care plan and 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. 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.

Finally, the state would have to provide an assurance that it has the legal authority to implement 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 credits and employer mandates 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 though 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.