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Benefits of America's Affordable Health Choices Act In the 7th Congressional District of Washington

Committee on Energy and Commerce

America's Affordable Health Choices Act would provide significant benefits in the 7th Congressional District of Washington: up to **20,800 small businesses** could receive tax credits to provide coverage to their employees; **6,700 seniors** would avoid the donut hole in Medicare Part D; **2,050 families** could escape bankruptcy each year due to unaffordable health care costs; health care providers would receive payment for **$84 million** in uncompensated care each year; and **67,000 uninsured individuals** would gain access to high-quality, affordable health insurance. Congressman Jim McDermott represents the district.

- **Help for small businesses.** Under the legislation, small businesses with 25 employees or less and average wages of less than $40,000 qualify for tax credits of up to 50% of the costs of providing health insurance. There are up to 20,800 small businesses in the district that could qualify for these credits.

- **Help for seniors with drug costs in the Part D donut hole.** Each year, 6,700 seniors in the district hit the donut hole and are forced to pay their full drug costs, despite having Part D drug coverage. The legislation would provide them with immediate relief, cutting brand name drug costs in the donut hole by 50%, and ultimately eliminate the donut hole.

- **Health care and financial security.** There were 2,050 health care-related bankruptcies in the district in 2008, caused primarily by the health care costs not covered by insurance. The bill provides health insurance for almost every American and caps annual out-of-pocket costs at $10,000 per year, ensuring that no citizen will have to face financial ruin because of high health care costs.

- **Relieving the burden of uncompensated care for hospitals and health care providers.** In 2008, health care providers in the district provided $84 million worth of uncompensated care, care that was provided to individuals who lacked insurance coverage and were unable to pay their bills. Under the legislation, these costs of uncompensated care would be virtually eliminated.

- **Coverage of the uninsured.** There are 83,000 uninsured individuals in the district, 13% of the district. The Congressional Budget Office estimates that nationwide, 97% of all Americans will have insurance coverage when the bill takes effect. If this benchmark is reached in the district, 67,000 people who currently do not have health insurance will receive coverage.

- **No deficit spending.** The cost of health care reform under the legislation is fully paid for: half through making the Medicare and Medicaid program more efficient and half through a surtax on the income of the wealthiest individuals. This surtax would affect only 7,400 households in the district. The surtax would not affect 97.9% of taxpayers in the district.

This analysis is based upon the following sources: the Gallup-Healthways Survey (data on the uninsured); the U.S. Census (data on small businesses); the Centers for Medicare and Medicaid Services (data on the Part D donut hole, health care-related bankruptcies (based on analysis of PACER court records), and uncompensated care); and the House Committee on Ways and Means (data on the surtax).