



**H.R. 3962, "Affordable Health Care for America Act"**  
**Passed November 7, 2009 – 220 to 215**

**Taxpayers**

- Includes a 5.4 percent surtax on high income filers who earn over \$500,000 annually (Section 551)
  - Would generate \$427 billion over ten years according to the Congressional Budget Office and Joint Committee on Taxation<sup>1</sup>
- Every individual earning under \$250,000 annually is required to purchase health insurance or be subject to federal penalties (Section 501)
  - Must obtain acceptable coverage as of January 1, 2013 or face a surtax of 2.5 percent of the excess of the individual's adjusted gross income over his or her applicable threshold
  - Tax will be prorated for any part of any year an individual fails to meet the health insurance requirement
  - Individuals who do not conform to the requirement will be subject to a jail sentence
- Individuals are required to have "acceptable coverage," which includes any of the following (Section 501):
  - Qualified health benefits plan
  - Grandfathered health insurance coverage from employment-based health plan
  - Medicare
  - Medicaid
  - Coverage as a member of the armed forces and dependents (including TriCare)
  - Coverage under the veterans health care program
  - Coverage as a member of an Indian tribe
- The individual tax is capped at the national average premium for self-only basic coverage offered through the newly created Health Insurance Exchange (Section 501)
- Non-resident aliens are exempt from the requirement (Section 501)
- Exemptions from the individual health mandate tax exist based on religious conscience and hardship, the application for which will be determined by the Secretary of Health and Human Services (Section 501)

- By 2015, all individual insurance policies must conform to the qualified health benefits plan requirements, thereby making it illegal to participate in a plan that doesn't meet the Exchange specifications (Section 302)
  
- In conjunction with H.R. 3962, the House also passed H.R. 3961, which provides for an increase in Medicare physician reimbursements beginning in 2010
  - The cost of this legislation will be \$245 billion over 10 years, which is not calculated into the overall cost of H.R. 3962
  - This legislation represents deficit spending, which would add more to the federal debt

---

<sup>1</sup> Congressional Budget Office and Joint Committee on Taxation. *Letter to Congressman John Dingell*, available at [http://www.cbo.gov/ftpdocs/107xx/doc10710/hr3962Dingell\\_mgr\\_amendment\\_update.pdf](http://www.cbo.gov/ftpdocs/107xx/doc10710/hr3962Dingell_mgr_amendment_update.pdf). 6 November 2009.