



July 2012

## Response to Republican Myths in Section 2 of H.R. 6079

Committee on Energy and Commerce  
Minority Staff

### **1. Republican Myth: Americans cannot keep their current health coverage as President Obama promised.**

**FACT: The ACA protects and strengthens health insurance for millions of people.**

The Affordable Care Act protects the existing employer marketplace, adds new choices by creating exchanges where families can go to purchase affordable coverage without discrimination, and ultimately will insure over 30 million Americans who today have no coverage. Already, two million small business workers have been helped with small business health care tax credits to get and keep health insurance. Over six million young adults up to the age of 26 have benefited by joining or remaining on their parents' health insurance plans. Some 17 million children living with pre-existing conditions can't be shut out of health care coverage altogether.

### **2. Republican Myth: The Affordable Care Act increases health care costs, making it more expensive for families to get health insurance.**

**FACT: The ACA is working to put money back in consumers' pockets and keeps premiums in check.**

The Affordable Care Act is taking a number of steps to hold down premium increases. This includes exposing unreasonable premium increases, forcing insurers to justify them publicly, and requiring insurers to spend 80% to 85% of each premium dollar on benefits or provide consumers with rebates. An estimated 13 million Americans will receive more than \$1 billion in rebates from their insurance companies this year alone.

Since the passage of the Affordable Care Act, CBO revised projections of health insurance premium costs – in 2021, premiums will be 8% less than what CBO previously projected. CBO estimates that premiums will actually decrease for a given health insurance policy – setting aside the improved benefit package that individuals and families may receive once health reform is fully implemented. Premiums would decrease due to reduced administrative costs and from getting everyone covered and solving the freeloader problem.

The ACA strengthens insurance as well, ensuring consumers get quality coverage, including getting preventive benefits without cost sharing and without lifetime limits now and getting an essential set of benefits and coverage without annual limits starting in 2014.

### **3. Republican Myth: The law cuts Medicare to pay for expanding health care for the uninsured.**

**FACT: Contrary to Republican lies, the ACA strengthens Medicare.**

- The Affordable Care Act increased Medicare's financial longevity by eight years.

- The Affordable Care Act provides incentives for hospitals and doctors to develop local solutions to improve care for patients at lower costs. These reforms to the care delivery system will give patients and their doctors better control over care decisions.
- It closes the donut hole that leaves seniors at the mercy of pharmaceutical companies' drug pricing while they continue to pay premiums.
- It provides preventive services for seniors without copays or deductibles.
- It creates an annual wellness visit for seniors.
- The Republican plan for Medicare would -- in fact -- retain the \$500 billion in cuts to Medicare, but turn all medical decisions over to unaccountable private insurance company bureaucrats and would shift more costs on to seniors, most of whom live on fixed incomes. By 2021, the Republican plan would cause the average senior to pay an additional \$6,000 out of pocket for Medicare. In contrast, the Affordable Care Act has saved seniors \$3.7 billion in prescription drug costs -- an average of over \$600 per person -- in just 18 months.

#### **4. Republican Myth: The law creates the Independent Payment Advisory Board to ration care and cut provider payments.**

**FACT: The Republican plan for keeping Medicare costs down is turning the program into a voucher and turning it over to private insurance companies.**

The Republican claims about the Independent Payment Advisory Board are flat out false and misleading. First, the Board may NOT cut benefits or shift costs on to seniors. Both Medicare coverage and the new cost-savings enacted in the Affordable Care Act will remain as they are today. Second, Congress always retains the ability to approve or disapprove of the Board's recommendations. Secure benefits and lower costs for seniors under the law are a stark contrast with the Republican plan that would turn Medicare over to private insurance companies, leaving seniors and the disabled paying over \$6,000 more per person each year.

#### **5. Republican Myth: The ACA is a job killer.**

**FACT: Contrary to Republican claims, the Affordable Care Act is already helping create jobs.**

The ACA was signed into law on March 23, 2010. From April 2010 through June 2012, the U.S. economy has added four million jobs. Contrary to claims that the Affordable Care Act would "kill jobs," the U.S. employment situation has improved since the passage of the legislation. Additionally, employment in the health care sector -- an industry many Republicans predicted would be damaged by the new law -- has grown significantly. Since April 2010, the health care sector has added 650,000 jobs in hospitals, clinics, pharmaceutical companies, and numerous other areas.

#### **6. Republican Myth: The ACA increases taxes on Americans.**

**FACT: The health law will provide more tax relief than tax burden for middle-income Americans.**

The Republicans are only looking at how the ACA was paid for and are ignoring the benefits of the ACA. Looking at only one side of the ledger doesn't make any sense. The ACA delivers over \$1.7 trillion in benefits. This includes \$931 billion to the states for coverage expansions for lower-income families; \$20 billion in tax credits for small businesses that provide employee health coverage; and \$808 billion in tax credits and other subsidies to families for health insurance premiums. The ACA provides numerous other benefits related to health care and insurance coverage, including: banning insurance companies' practice of denying coverage based on pre-existing health conditions; creating state exchanges

for transparent and competitive markets for the purchase of health insurance coverage; allowing young adults to remain on their parents' coverage; and closing the donut hole for seniors for their Medicare Part D prescription drug costs.

**7. Republican Myth: The ACA expands the role of federal government in funding and facilitating abortions.**

**FACT: The Affordable Care Act does NOT pay for abortions or for abortion coverage.**

The Affordable Care Act does NOT pay for abortions or for abortion coverage. It does not mandate abortion coverage, either now or in the future. Rather, it maintains the status quo under which private insurance companies decide whether abortion will be covered in the plans they offer. If companies choose to provide such coverage, the Affordable Care Act simply allows women and their families to purchase this coverage -- with their own money -- if they want it.

**8. Republican Myth: The ACA infringes on religious freedom by requiring coverage of preventive health benefits with no cost sharing or deductibles.**

**FACT: The Affordable Care Act protects women and provides for their basic health care needs.**

The Affordable Care Act protects women and provides for their basic health care needs. Repealing the Affordable Care Act would allow insurers to return to their current practice of discriminating against women. Repeal would allow insurers to charge women more just because of their gender, in effect, treating womanhood as if it were a pre-existing condition. It would also allow insurers to deny women coverage just because they have been victims of domestic violence. The Affordable Care Act protects against all this. In addition, the law ensures that essential health coverage includes basic and important women's health services and preventive care, such as pregnancy-related services and prescription contraceptives.

**9. Republican Myth: The ACA is a government takeover of health care.**

**FACT: The ACA puts Americans and their doctors in charge of their health care, not insurers like today.**

ACA puts people, not insurers, in control of their health care decisions. Politifact, a respected nonpartisan watchdog, said that this claim was the "Lie of the Year" in 2010. The ACA relies largely on the free market:

- Employers will continue to provide health insurance to the majority of Americans through private insurance companies.
- The law sets up exchanges where private insurers will compete to provide coverage to people who don't have it.
- The government will not seize control of hospitals or nationalize doctors, but instead provides incentives for doctors and hospitals to develop their own local strategies to improve patient care. Care is different in rural America than in a big city, and the ACA ensures that patients can choose to access their health care in ways that best meet their unique needs.
- The law gives tax credits to people who have difficulty affording insurance, so they can buy their coverage from private providers on the exchange. The approach relies on a free market with regulations, not socialized medicine.

- The Republican plan would take away insurance coverage from millions of Americans, and those who could get coverage would have unelected, unaccountable insurance company bureaucrats and CEOs making decisions about what care you could get and how much you would pay.

**10. Republican Myth: The ACA must be repealed because it is not patient-centered health care.**

**FACT: A repeal of the ACA puts insurance bureaucrats back in charge of your health, not you or your doctor.**

The Affordable Care Act puts Americans and their doctors in charge of their health care, not insurers. That's truly patient-centered care. Under the ACA:

- New rules will prevent insurance companies from denying coverage to the 129 million Americans with pre-existing conditions or charging them more in 2014. Pre-existing conditions include not only illnesses like diabetes and cancer but also domestic violence or pregnancy.
- All insurance plans will be prohibited from putting annual and lifetime caps on the dollar amount that they will spend on benefits -- like cancer treatment -- or canceling or rescinding your coverage because you get sick or made an unintentional mistake on your application.
- Young adults will be allowed to remain on their parents' plans until their 26th birthdays.
- Insurance companies must cover recommended preventive services, including mammograms, colonoscopies, immunizations, pre-natal, and new baby care without charging deductibles or co-payments.
- Insurance companies will be prohibited from denying coverage for needed care without a chance for an appeal to an independent, third party.
- Americans will be guaranteed their choice of primary care providers within their plan's network of doctors, including OB-GYNs and pediatricians -- without a referral -- as well as out-of-network emergency care.