

- [Home](#)
- [Aletho News — Recently Featured Content](#)
- [Aletho News – Exclusives](#)
- [Aletho News Archives](#)

[Fact Sheet: The Truth About the Health Care Bill](#)

[By Jane Hamsher | Fire Dog Lake | March 19, 2010](#)

The Firedoglake health care team has been covering the debate in congress since it began last year. The health care bill will come up for a vote in the House on Sunday, and as Nancy Pelosi works to wrangle votes, we've been running a detailed whip count on where every member of Congress stands, updated throughout the day.

We've also taken a detailed look at the bill, and have come up with 18 often stated myths about this health care reform bill.

Real health care reform is the thing we've fought for from the start. It is desperately needed. But this bill falls short on many levels, and hurts many people more than it helps.

A middle class family of four making \$66,370 will be forced to pay \$5,243 per year for insurance. After basic necessities, this leaves them with \$8,307 in discretionary income — out of which they would have to cover clothing, credit card and other debt, child care and education costs, in addition to \$5,882 in annual out-of-pocket medical expenses for which families will be responsible. Many families who are already struggling to get by would be better off saving the \$5,243 in insurance costs and paying their medical expenses directly, rather than being forced to by coverage they can't afford the co-pays on.

In addition, there is already a booming movement across the country to challenge the mandate. Thirty-three states already have bills moving through their houses, and the Idaho governor was the first to sign it into law yesterday. In Virginia it passed through both a Democratic House and Senate, and the governor will sign it soon. It will be on the ballot in Arizona in 2010, and is headed in that direction for many more. Republican senators like Dick Lugar are already asking their state attorney generals to challenge it. There are two GOP think tanks actively helping states in their efforts, and there is a booming messaging infrastructure that covers it beat-by-beat.

Whether Steny Hoyer believes the legality of the bill will prevail in court or not is moot, it could easily become the “gay marriage” of 2010, with one key difference: there will be no one on the other side passionately opposing it. The GOP is preparing to use it as a massive turn-out vehicle, and it not only threatens representatives in states like Florida, Colorado and Ohio where these challenges will likely be on the ballot — it threatens gubernatorial and down-ticket races as well. Artur Davis, running for governor of Alabama, is already being put on the spot about it.

While details are limited, there is apparently [a “Plan B” alternative](#) that the White House was considering, which would evidently expand existing programs — Medicaid and SCHIP. It would cover half the people at a quarter of the price, but it would not force an unbearable financial burden to those who are already struggling to get by. Because it creates no new infrastructure for the purpose of funneling money to private insurance companies, there is no need for Bart Stupak's or Ben Nelson's language dealing with abortion — which satisfies the concerns of pro-life members of Congress, as well as women who are looking at the biggest blow to women's reproductive rights in 35 years with the passage of this bill. Both programs are already covered under existing law, the Hyde amendment.

But perhaps most profoundly, the bill does not mandate that people pay 8% of their annual income to private insurance companies or face a penalty of up to 2% — which the IRS would collect. As Marcy Wheeler noted in [an important post](#) entitled “[Health Care on the Road to NeoFeudalism](#),” we stand on the precipice of doing something truly radical in our government, by demanding that Americans pay almost as much money to private insurance companies as they do in federal taxes:

When this passes, it will become clear that Congress is no longer the sovereign of this nation. Rather, the corporations dictating the laws will be.

I understand the temptation to offer 30 million people health care. What I don't understand is the nonchalance with which we're about to fundamentally shift the relationships of governance in doing so.

We started down a dangerous road with Wall Street banks in the early 90s, allowing them to flood our political system with money and write our laws so that taxpayers would subsidize their profits, assume their losses and remove themselves from the necessity of competition. By funneling so much money into the companies who created the very problems we are now attempting to address, we further empower them to hijack our legislative process and put more than just our health care system at risk. We risk our entire system of government.

Congress may be too far down the road with this bill to change course and save themselves — and us. But before Democrats cast this vote, which could endanger not only their Congressional majority but their ability to “fix” things later on, they should consider the first rule of patient safety: first, do no harm.

Myth	Truth
<p>1. This is a universal health care bill.</p>	<p>The bill is neither universal health care nor universal health insurance.</p> <p>Per the CBO:</p> <ul style="list-style-type: none"> • Total uninsured in 2019 with no bill: 54 million • Total uninsured in 2019 with Senate bill: 24 million (44%)
<p>2. Insurance companies hate this bill</p>	<p>This bill is almost identical to the plan written by AHIP, the insurance company trade association, in 2009. The original Senate Finance Committee bill was authored by a former Wellpoint VP. Since Congress released the first of its health care bills on October 30, 2009, health care stocks have risen 28.35%.</p>
<p>3. The bill will significantly bring down insurance premiums for most Americans.</p>	<p>The bill will not bring down premiums significantly, and certainly not the \$2,500/year that the President promised.</p> <p>Annual premiums in 2016, status quo / with bill:</p> <p>Small group market, single: \$7,800 / \$7,800</p> <p>Small group market, family: \$19,300 / \$19,200</p> <p>Large Group market, single: \$7,400 / \$7,300</p> <p>Large group market, family: \$21,100 / \$21,300</p>

Individual market, single: \$5,500 / \$5,800*

Individual market, family: \$13,100 / \$15,200*

4. The bill will make health care affordable for middle class Americans.

The bill will impose a financial hardship on middle class Americans who will be forced to buy a product that they can't afford to use. A family of four making \$66,370 will be forced to pay \$5,243 per year for insurance. After basic necessities, this leaves them with \$8,307 in discretionary income — out of which they would have to cover clothing, credit card and other debt, child care and education costs, in addition to \$5,882 in annual out-of-pocket medical expenses for which families will be responsible.

5. This plan is similar to the Massachusetts plan, which makes health care affordable.

Many Massachusetts residents forgo health care because they can't afford it. A 2009 study by the state of Massachusetts found that:

- 21% of residents forgo medical treatment because they can't afford it, including 12% of children
- 18% have health insurance but can't afford to use it

6. This bill provide health care to 31 million people who are currently uninsured.

This bill will mandate that millions of people who are currently uninsured must purchase insurance from private companies, or the IRS will collect up to 2% of their annual income in penalties. Some will be assisted with government subsidies.

7. You can keep the insurance you have if you like it.

The excise tax will result in employers switching to plans with higher co-pays and fewer covered services.

Older, less healthy employees with employer-based health care will be forced to pay much more in out-of-pocket expenses than they do now.

8. The “excise tax” will encourage employers to reduce the scope of health care benefits, and they will pass the savings on to employees in the form of higher wages.

There is insufficient evidence that employers pass savings from reduced benefits on to employees.

<p>9. This bill employs nearly every cost control idea available to bring down costs.</p>	<p>This bill does not bring down costs and leaves out nearly every key cost control measure, including:</p> <ul style="list-style-type: none"> • Public Option (\$25-\$110 billion) • Medicare buy-in • Drug reimportation (\$19 billion) • Medicare drug price negotiation (\$300 billion) • Shorter pathway to generic biologics (\$71 billion)
<p>10. The bill will require big companies like WalMart to provide insurance for their employees</p>	<p>The bill was written so that most WalMart employees will qualify for subsidies, and taxpayers will pick up a large portion of the cost of their coverage.</p>
<p>11. The bill “bends the cost curve” on health care.</p>	<p>The bill ignored proven ways to cut health care costs and still leaves 24 million people uninsured, all while slightly raising total annual costs by \$234 million in 2019. “Bends the cost curve” is a misleading and trivial claim, as the US would still spend far more for care than other advanced countries.</p> <p>In 2009, health care costs were 17.3% of GDP.</p> <p>Annual cost of health care in 2019, status quo: \$4,670.6 billion (20.8% of GDP)</p> <p>Annual cost of health care in 2019, Senate bill: \$4,693.5 billion (20.9% of GDP)</p>
<p>12. The bill will provide immediate access to insurance for Americans who are uninsured because of a pre-existing condition.</p>	<p>Access to the “high risk pool” is limited and the pool is underfunded. It will cover few people, and will run out of money in 2011 or 2012 Only those who have been uninsured for more than six months will qualify for the high risk pool. Only 0.7% of those without insurance now will get coverage, and the CMS report estimates it will run out of funding by 2011 or 2012.</p>
<p>13. The bill prohibits dropping people in individual plans from coverage when they get sick.</p>	<p>The bill does not empower a regulatory body to keep people from being dropped when they’re sick. There are already many states that have laws on the books prohibiting people from being dropped when they’re sick, but without an enforcement mechanism, there is little to hold the insurance companies in check.</p>

14. The bill ensures consumers have access to an effective internal and external appeals process to challenge new insurance plan decisions.

The “internal appeals process” is in the hands of the insurance companies themselves, and the “external” one is up to each state.

Ensuring that consumers have access to “internal appeals” simply means the insurance companies have to review their own decisions. And it is the responsibility of each state to provide an “external appeals process,” as there is neither funding nor a regulatory mechanism for enforcement at the federal level.

15. This bill will stop insurance companies from hiking rates 30%-40% per year.

This bill does not limit insurance company rate hikes. Private insurers continue to be exempt from anti-trust laws, and are free to raise rates without fear of competition in many areas of the country.

16. When the bill passes, people will begin receiving benefits under this bill immediately

Most provisions in this bill, such as an end to the ban on pre-existing conditions for adults, do not take effect until 2014. Six months from the date of passage, children could not be excluded from coverage due to pre-existing conditions, though insurance companies could charge more to cover them. Children would also be allowed to stay on their parents’ plans until age 26. There will be an elimination of lifetime coverage limits, a high risk pool for those who have been uninsured for more than 6 months, and community health centers will start receiving money.

17. The bill creates a pathway for single payer.

Bernie Sanders’ provision in the Senate bill does not start until 2017, and does not cover the Department of Labor, so no, it doesn’t create a pathway for single payer.

Obama told Dennis Kucinich that the Ohio Representative’s amendment is similar to Bernie Sanders’ provision in the Senate bill, and creates a pathway to single payer. Since the waiver does not start until 2017, and does not cover the Department of Labor, it is nearly impossible to see how it gets around the ERISA laws that stand in the way of any practical state single payer system.

18 The bill will end medical bankruptcy and provide all Americans with peace of mind.

Most people with medical bankruptcies already have insurance, and out-of-pocket expenses will continue to be a burden on the middle class.

- In 2009, 1.5 million Americans declared

bankruptcy

- Of those, 62% were medically related
- Three-quarters of those had health insurance
- The Obama bill leaves 24 million without insurance
- The maximum yearly out-of-pocket limit for a family will be \$11,900 (PDF) on top of premiums
- A family with serious medical problems that last for a few years could easily be financially crushed by medical costs

*Cost of premiums goes up somewhat due to subsidies and mandates of better coverage. CBO assumes that cost of individual policies goes down 7-10%, and that people will buy more generous policies.

Documentation:

1. March 11, Letter from Doug Elmendorf to Harry Reid ([PDF](#))
2. [The AHIP Plan in Context](#), Igor Volsky; [The Max Baucus WellPoint/Liz Fowler Plan](#), Marcy Wheeler
3. [CBO Score](#), 11-30-2009
4. [“Affordable” Health Care](#), Marcy Wheeler
5. [Gruber Doesn’t Reveal That 21% of Massachusetts Residents Can’t Afford Health Care](#), Marcy Wheeler; Massachusetts Survey ([PDF](#))
6. [Health Care on the Road to Neo-Feudalism](#), Marcy Wheeler
7. [CMS: Excise Tax on Insurance Will Make Your Insurane Coverage Worse and Cause Almost No Reduction in NHE](#), Jon Walker
8. [Employer Health Costs Do Not Drive Wage Trends](#), Lawrence Mishel
9. [CBO Estimates Show Public Plan With Higher Savings Rate](#), Congress Daily; [Drug Importation Amendment Likely This Week](#), Politico; [Medicare Part D IAF](#); [A Monoploy on Biologics Will Drain Health Care Resources](#), Lancet Student
10. [MaxTax Is a Plan to Use Our Taxes to Reward Wal-Mart for Keeping Its Workers in Poverty](#), Marcy Wheeler
11. Estimated Financial Effects of the “Patient Protection and Affordable Care Act of 2009,” as Proposed by the Senate Majority Leader on November 18, 2009, CMS ([PDF](#))
12. *ibid*
13. *ibid*
14. *ibid*
15. Health insurance companies hang onto their antitrust exemption, [Protect Consumer Justice.org](#)
16. [What passage of health care reform would mean for the average American](#), DC Examiner
17. [How to get a State Single Payer Opt-Out as Part of Reconciliation](#), Jon Walker
18. [Medical bills prompt more than 60 percent of U.S. bankruptcies](#), CNN.com; The Patient Protection and Affordable Care Act Section-by-Section Analysis ([PDF](#))

Possibly related posts: (automatically generated)

- [Death to Obamacare!](#)
- [Yes, This Health Care Bill Really is Worse Than Nothing](#)
- [Why I Voted for the Republican in Massachusetts](#)
- [Housecall to DC and the Capitol Steps-a Call to Action Update](#)

March 20, 2010 - Posted by [aletho](#) | ["Hope and Change"](#), [Deception](#) | | [2 Comments](#)

2 Comments »