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Common Health Insurance Myths Debunked

April 2010 - The heated and sometimes silly debate around health insurance reform will continue as this fall's midterm elections approach..

President Obama has said that he hopes Americans on all sides will judge the Patient Protection and Affordable Care Act for what it actually says and does.

Here's a look at some of the myths and realities, from both sides of the issue, according to a March 23, 2010 Associated Press Fact Check:

- **Obama has put the nation on a slippery slope toward socialism.**

Hello? Government's role in health care has been steadily growing since Medicare and Medicaid were established 45 years ago. Even if Republicans were to take control of Washington and repeal this bill, government would still be on track to pick up more than half the nation's health care tab by 2012, according to a report last month from Medicare.

"The Republican myth is that the government is for the first time going to take over the health care sector," said economist Joe Antos of the business-oriented American Enterprise Institute. "The takeover was probably largely accomplished in 1965 with the creation of Medicare and Medicaid. Since the early days, Medicare has called the shots on a lot of policy issues that private insurance fell in line with."

Still, the new law will undoubtedly expand the government's influence. Sen. Judd Gregg, R-N.H., warned Tuesday it will lead to the "quasi-nationalization of the health industry."

Underline "quasi." Democrats dropped their idea of a government insurance plan to compete with private carriers. So any "socialization" will be channeled through Wellpoint, UnitedHealthcare and other private insurance giants.

- **Health care overhaul is going to lower your health insurance premiums.**

Obama says that once new competitive insurance markets open for business, in 2014, individuals buying coverage comparable to what they have today will pay

14-20 percent less. Family coverage costs about \$13,400 a year, so that could be real money.

But the president's assurance is based on a selective reading of a Congressional Budget Office report that found most individuals would probably buy better, more expensive coverage than what's available today.

And Obama skips over an important caveat: The budget office didn't say premiums would be lower than currently. It said premiums for some people would be lower than they would have been without the bill. Premiums for others would be higher.

With the U.S. population getting older, and medical science pushing the technological envelope, there's very little reason to think premiums will go down. The best Obama can hope for is to slow the pace of increases.

- **You will be forced to pay for other people's abortions.**

Only if you join a health insurance plan that covers abortion. In that case, the costs of paying for abortions would be spread over all the enrollees in the plan — no differently from how other medical procedures are handled, except a policyholder would have to write a separate check for it.

Timothy Jost, a law professor at Washington and Lee University, said people who don't want to pay for abortion could simply pick a plan that doesn't offer it.

There would definitely be a demand for such plans, and not just from people with moral objections. Single men and older women would have no reason to pay an extra premium for abortion coverage.

- **The Democratic bill will lead to government health care rationing.**

The legislation sets up a research center to compare the effectiveness of medical treatments, and critics fear that bureaucrats will start issuing justifications for denying patients access to the latest medical technology.

Republicans as well as Democrats had previously called for a major investment in such research to help make sense of which kinds of treatments, medications and technologies are worth the cost.

The legislation specifies that the research findings cannot be used to impose mandates, guidelines or recommendations for payment, coverage, or treatment — or used to deny coverage.

Acceptance of the research is likely to be slow in coming, and the medical community — not government and insurance companies — will probably take the lead in vetting it.

- **The American people have already rejected Obamacare.**

Although some polls show a majority oppose the bill, most surveys find the public about evenly divided. Blendon, the public opinion expert, believes it's premature to say that the public has rejected it. Curiously, many individual components — doing away with insurance denials for pre-existing conditions, tax credits to help pay premiums, insurance purchasing pools — are widely popular.

Obama reads those findings to mean that Democrats have a chance to turn around public opinion, and he's embarking on a campaign to sell the bill.

- **The legislation will save Medicare from bankruptcy.**

Democrats say the bill — even as it cuts Medicare to pay for expanded coverage for working families — will add at least nine years of solvency to the program's giant hospital insurance trust fund, now projected to be exhausted in 2017.

Technically that's true — but only on paper.

Savings from the Medicare cuts will be invested in government IOUs, like any other trust fund surplus. The special Treasury securities count as an asset on Medicare's books — making the program's precarious financial situation seem more reassuring. But the government will spend the actual money. And when time comes for Medicare to redeem the IOUs, lawmakers will have to scramble to come up with the cash.

The key point is that the Medicare savings will be received by the government only once, the Congressional Budget Office said, "so they cannot be set aside to pay for future Medicare spending and, at the same time, pay for current spending ... on other programs."

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