

Who Is A President To Turn To? HHS Or The Business Roundtable?

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The Obama administration went on the offensive today trying to show how the new health law would cut health insurance costs.

But in a [speech](#) to a conference in Washington sponsored by the liberal-leaning consumer group Families USA, President Barack Obama did not cite a [study](#) on health insurance costs issued hours earlier by the Department of Health and Human Services.

Rather, he referred to a Business Roundtable [study](#) done in September 2009 -- six months before he signed the Affordable Care Act into law.

"Estimates from the Business Roundtable -- now this isn't some left-wing organization -- the Business Roundtable, the organization of all the country's largest corporations, and other experts indicate that health insurance reform could save large employers anywhere from \$2,000 to \$3,000 per family, per year, ... by 2019," Obama said.

What the president failed to mention was that study was completed months before the health legislation was still being crafted so it wasn't an analysis of the actual bill that became law, a point made by a PolitiFact [review](#) of Obama's use of the study last year.

Moreover, the Business Roundtable report said the possible savings assumes the government implements the initiatives "quickly, accurately, and consistently," and that private insurers adopt numerous changes in how they operate.

The PolitiFact analysis also noted that the Congressional Budget Office [estimated](#) in November 2009 that for the four out of five Americans who would get their insurance through their employer, the effect on premiums would be modest. CBO found that for people in the small group market, employers with 50 or fewer workers, the change in premiums would range from an increase of 1 percent to a decrease of 2 percent in 2016. In the large group market, premiums are projected to be zero to 3 percent lower in 2016 (relative to current law). That shakes out to a reduction of about \$100 a year, at best, for single policies.

The report issued today by HHS estimates middle class families could save as much as \$2,300 per year in 2014 and the savings is even more dramatic for others. For example, the report said a family of four making \$33,525 could save up to \$14,900 a year on the cost of coverage in 2014 since they will qualify for tax credits and subsidies. A small business could save on average about \$350 in 2014 per family policy. Most of the savings would come through the new exchanges and new tax credits for those buying in the exchanges.

Health and Human Services Secretary Kathleen Sebelius said in a statement the new report shows without the health law that " consumers and and businesses would face higher premiums, fewer insurance choices, and rapidly rising health care costs."

The HHS report was immediately criticized by Senate Republicans, the health insurance industry and the Cato Institute.

Karen Ignagni, the president and CEO of the trade group America's Health Insurance Plans, said that the HHS estimate "overstates the cost savings associated with certain provisions of the new law and ignores major provisions that will raise premiums, including the new premium tax, age rating restrictions that impact younger workers, and benefit mandates that exceed the coverage that many purchase today."

She added: "Tax credits do not bring down the growth of medical costs or reduce health insurance premiums."