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Richmond Times-Dispatch

Published: January 23, 2011

Five myths about the new health care law

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The House of Representatives spent seven hours last week debating a largely symbolic measure to repeal the Patient Protection and Affordable Care act (Obamacare). This debate was just the beginning of a discussion about repealing, reforming, and defunding last year's health care law. Anyone who thought we were finished with health care reform was kidding themselves.

Therefore, as the debate gets under way, it's worth considering the facts behind some of the most common claims you will hear over the coming year.

Myth: The health care law provides universal coverage.

Although the health care law would reduce the number of Americans without health insurance, the Congressional Budget Office estimates it would still leave 23 million Americans uninsured by 2019.

Even if a third of the uninsured would be illegal immigrants, that would leave 15 million to 16 million legal, nonelderly U.S. residents without health insurance. Furthermore, roughly 47 percent of those who do receive coverage under the law will not be receiving traditional health insurance, but will instead be put into the Medicaid or SCHIP programs. Roughly a third of physicians do not participate in these programs, making access difficult, despite insurance.

Myth: If you like your current insurance plan, you can keep it.

President Obama's reassurances that Americans would not have to change their current insurance plans appear to be increasingly untrue. Seniors with Medicare Advantage and workers with health savings accounts are the most likely to be forced out of their current plans. A leaked administration memorandum warns that more than two-thirds of companies, and 80 percent of small businesses, could be forced to change their current coverage.

The law's individual mandate poses a special threat to people being able to keep their current coverage, because it doesn't just require everyone to buy insurance. It also mandates that everyone's insurance must meet strict government requirements, offering the benefits that the government thinks you should have, not necessarily just the benefits you want.

Myth: The health care law reduces the deficit.

True, the Congressional Budget Office officially "scored" the health care bill as costing $950 billion and warned that repealing it would add $230 billion to the deficit. Those numbers do not tell the whole story, nor do they reveal the bill's true cost. CBO is required by law to score legislation according to the assumptions and information given to it.

Those assumptions leave out many of the bill's costs, such as the roughly $115 billion in implementation costs — including, for example, the cost of hiring new IRS agents to enforce the bill's individual mandate.

The CBO estimate also assumes that Congress will not repeal an anticipated 23 percent reduction in Medicare spending (the so-called "doc-fix"). But Congress has already postponed those cuts by a year and no one seriously expects them to remain intact.

Moreover, the arcane budget rules of Medicare, Social Security, and the bill's new long-term care program, allow the government to double count savings, while ignoring future costs outside the budget window.

Finally, the bill front ends taxes while deferring costs, providing a misleading 10-year budget outlook. A true accounting of all the bill's costs suggests that repeal could actually reduce the budget deficit by as much as $700 billion over 10 years.

Myth: The health care law will reduce your premiums.

Anyone opening their health insurance bills recently can see that their premiums are not going down. In fact, CBO estimates that premiums could double over the next six to 10 years. Worse, the new health law actually may be increasing premiums faster than they would otherwise rise. Some estimates suggest that the new regulations have already added 7 percent to 9 percent to the cost of insurance.

Myth: The health care law is "consumer friendly."

Sure, there are some consumer reforms in the bill that will benefit some people, but at a price. For example: parents can now keep their children on their insurance plans until age 26. The Department of Health and Human Services estimates that it will cost an estimated $3,380 a year per child. Employers are balking at picking up the added cost, so the parents themselves will have to pay more if they want to continue their children's coverage.

Insurers can no longer refuse coverage to children with pre-existing conditions. In response, insurers in Colorado, Ohio, and Missouri, among others, have stopped offering child-only insurance plans, depriving thousands of Americans of an inexpensive coverage option.

Insurers also are prohibited from imposing annual or lifetime coverage limits. This provision has proved so onerous that the administration has been forced to issue more than 100 waivers to prevent companies from dropping their employees' coverage altogether.

So think about these myths as you try to sort through the claims and counterclaims about the new health care law.
