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Understanding health care reform: Debunking popular myths

August 11th, 2011 @ 11:03am

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No earth-shaking political battle is complete without propaganda, and health care reform is no exception.

When it comes to popular myths surrounding the health care legislation, neither Democrats nor Republicans are entirely guiltless.

Let's briefly examine two myths.

Myth #1: Health care reform will reduce the federal deficit over the next decade.

Three days before the Affordable Care Act was signed into law, [the Congressional Budget Office issued a report](#) indicating that the bill would reduce the federal deficit by \$143 billion before 2019.

That's a lot of money. But is the claim true?

It's possible — but highly unlikely.

In order to accomplish its objectives, the Affordable Care Act will spend about \$938 billion by the end of the decade. The CBO had the unenviable task of calculating the long-term financial impact and revealed that the bill would be in the black. The resulting surplus is supposed to be allocated to the deficit.

But what is not included in the CBO's calculations?

As it turns out, quite a bit is missing from the projections.

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The individual mandate so critical to the success of the legislation is also a threat to its financial viability. [As explained in the fourth article in this series](#), the fees associated with the mandate aren't sufficient to hold the health care reform boat steady if young immortals revolt in mass and call Congress' bluff. But that's not all. Senior Fellow at the Cato Institute [Michael Tanner states](#), "CBO estimates do not include roughly \$115 billion in implementation costs, such as the cost of hiring new IRS agents to enforce the bill's individual mandate."

So take a \$143-billion surplus and reduce it by approximately \$115 billion. Now the deficit reduction is closer to \$28 billion.

Physicians also play a role. Although [not the villains](#) some make them out to be, doctors have to be paid. [The staff of the Washington Post](#) reported that The Affordable Care Act will allocate approximately \$200 billion to doctors in order to make up for a 21-percent cut in Medicare payments in 2010.

Now take the remaining budget surplus of \$28 billion and subtract \$200 billion. All of the sudden, the original \$143-billion surplus has turned into a \$178-billion deficit.

These are only two of many facts challenging the credibility of claims that the Affordable Care Act will reduce the federal deficit over the next decade. The legislation may produce a surplus over the next 10 years, but it is highly unlikely. The claim is more myth than fact.

Myth #2: Health care reform is socialism.

In the early stages of the health care reform debate, Republicans devised a strategy to attack the legislation as a government takeover. To some degree, this was justifiable because the original legislation called for a “public option” that was a government-run health insurance program. The public option was eventually dropped, but the claims continued and eventually morphed into allegations that health care reform is socialism.

So is it?

Most would argue that it is not. In fact, Politifact.com called claims of a government takeover its “[2010 Political Lie of the Year](#).”

Why then do so many people still insist that health care reform is socialism?

In the end, it may come down to the use of terms which are lost in translation.

In this debate, the two different sides often use the same word but mean different things.

To those on the left, socialism is much like variations of [a definition used by Merriam-Webster](#): “A system or condition of society in which the means of production are owned and controlled by the state.”

That is not the Affordable Care Act. The government does not own or control the means of production in the health care system.

But those on the right often use the term “socialist” to refer to Democrats in general. Any policy which increases the extent of government involvement is labeled as socialist. And since Democrats generally favor larger government, some Republicans think of them as socialists.

The problem starts to become clear. Those on the left say the bill is not socialist because the government doesn't own or control the means of production. Those on the right say the bill is socialist because the government is becoming more involved.

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Thus both sides are right because they use the same word but associate it with different meanings.

In the classical, academic sense of the word, the Affordable Care Act is not socialism.

However, there is nonetheless a basis for these claims.

First, the original legislation did call for a public option where the government would own and control some of the means of production. While this still would not result in a socialist government, it would nonetheless represent a step toward socialized medicine (which is still different than unadulterated socialism). Government would move beyond regulation and become an actual player in the game.

Second, the Affordable Care Act does expand the role of Medicaid and Medicare. And while these are programs that Americans have grown accustomed to, they are also programs in which the government is more than a passive participant. The end result is still a far cry from pure socialism, but one can see why those on the right feel that the legislation is a [bridge to socialism](#).

As can be seen in both of these examples, there are reasons behind the myths. Some Democrats do believe that the Affordable Care Act will produce a surplus over 10 years — but it probably won't. And some Republicans do believe that the legislation is socialist — but it's probably not.

Yet even after reading this very brief analysis, there will be some who will insist that one of these myths is nevertheless entirely grounded in fact. Such is the natural consequence of a debate that is deeply rooted in partisanship.

The next article in this series will address why it is that Democrats and Republicans are so diametrically opposed when it comes to health care reform.

This is the seventh in a series of nine articles addressing the topic of health care reform.

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