

# Michael D. Tanner: 5 myths about new health care law

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As Congress moves closer to a vote on whether to repeal the new health care law, we can expect another onslaught of claims and counterclaims.

Therefore, as the debate gets under way, it is worth considering the facts behind some of the most common claims you will hear.

## Myth:

The health care law provides universal coverage.

The Congressional Budget Office (CBO) estimates the law still would leave 23 million Americans uninsured by 2019, and the number of uninsured would rise thereafter.

In addition, roughly 47 percent of those who receive coverage under the bill will not be receiving traditional health insurance, but will instead be put into the Medicaid or SCHIP programs.

Given that roughly a third of physicians no longer accept Medicaid patients, these individuals may still find significant barriers to access.

## Myth:

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

Although the president reassured us that Americans would not be forced to change their current insurance plans, this appears untrue.

Senior citizens 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 could be forced to change their current coverage.

For small businesses, the total could reach 80 percent.

Also, the law's individual mandate requires that everyone's insurance meet strict government

requirements, offering the benefits the government thinks you should have, not necessarily the benefits you want.

### **Myth:**

The health care law reduces the deficit.

It is true the CBO has officially "scored" the health care bill as costing \$950 billion and warns that repealing it would add \$230 billion to the deficit. However, those numbers do not tell the whole story, nor do they reveal the bill's true cost.

For example, 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.

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

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 their premiums are not going down.

In fact, the CBO estimates that premiums could double over the next six to 10 years. Some estimates suggest the new regulations already have added 7 percent to 9 percent to the cost of insurance.

### **Myth:**

The health care law is "consumer friendly."

There are some consumer reforms in the bill, but

they come with fine print.

For example, parents can now keep their children on their insurance plans until age 26. But that extended coverage is not free.

The Department of Health and Human Services estimates it will cost an estimated \$3,380 a year per child.

And since employers are balking at picking up the added cost, parents 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.

True.

And, in response, insurers in several states have stopped offering child-only insurance plans, depriving thousands of Americans of an inexpensive coverage option.

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