

# Busting the Myths about Health Care Reform

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The historic Supreme Court ruling upholding President Obama's health care law has not stopped opponents from unleashing a new torrent of false claims, ranging from distortions of the facts to outright lies. Unlike the legal battle, these claims will have to be adjudicated in the court of public opinion.

As Third Way recommended in a previous memo about responding to the Supreme Court decision, supporters of the law need to use the ruling to explain how the law will benefit the middle class and the country. But supporters also need to deflect egregious myths in order to ensure the public can hear about the benefits over the din of the debate.

This memo busts twelve myths about health care reform.

## Myth #1: The largest tax increase in history

*“Obamacare is...the largest tax increase in the history of the world.”<sup>1</sup>*

*–Rush Limbaugh, 06/28/2012*

The largest tax increase in the United States over the last seventy years was during World War II.<sup>2</sup> The revenue from the provisions of the health care law is one-tenth that size. It is also one-third less than the tax law President Ronald Reagan signed in 1982.<sup>3</sup>

## Myth #2: A government takeover

*“Obamacare will lead to a government takeover of health care.”<sup>4</sup>*

-Mitt Romney, 05/11/2012

”

The health care law provides Americans with a choice of private health insurance plans; it does not offer a public option or provide Medicare-for-all as some members of Congress proposed.<sup>5</sup> Instead, it lets individuals choose their own coverage and provides them a menu that compares the price and quality of insurance plans.<sup>6</sup>

### **Myth #3: 20 million Americans will lose their coverage**

*“Obamacare means that for up to 20 million Americans, they will lose the insurance they currently have, the insurance that they like and they want to keep.”*<sup>7</sup>

-Mitt Romney, 06/28/2012

”

Romney’s campaign has cherry-picked the results of a Congressional Budget Office study. CBO’s official position is that 3 to 5 million people will no longer receive coverage through their employer.<sup>8</sup> Instead, they will receive coverage elsewhere such as an insurance exchange where individuals, not employers, pick the coverage they want. The 20 million figure comes from a CBO analysis designed to show the uncertainty of making predictions using a wide range of possibilities, not its actual prediction.<sup>9</sup>

### **Myth #4: Trillions added to the deficit**

*“Obamacare adds trillions to our deficits and to our national debt, and pushes those obligations on to coming generations.”*<sup>10</sup>

-Mitt Romney, 06/28/2012

”

The Congressional Budget Office says that the health care law will actually lower the deficit, by about \$124 billion over 10 years.<sup>11</sup> The reason is simply that the health care law has offsetting revenue and cost savings that exceed new spending.

## **Myth #5: Job killer**

*This [Obamacare] will be the biggest job-killer ever.*<sup>12</sup>

–Gov. Rick Scott (R-FL), 03/26/2012

In contrast to the “significant job losses” projected by a 2011 GOP report, the law’s impact on jobs is likely to be minimal according to the CBO.<sup>13</sup> The Republican report fails to mention that in many cases workers may be choosing to exit the labor market voluntarily.<sup>14</sup> With new options to qualify for Medicaid or subsidized coverage, the Affordable Care Act allows those working solely for the purpose of keeping their insurance to work less or retire.<sup>15</sup> Although fines imposed by the employer mandate may reduce the number of low-wage jobs, those cuts will be limited and largely offset by potential job increases in health and insurance industries.<sup>16</sup> In sum, the new law introduces incentives that will push employment numbers in both directions, but the net effect is hardly a doomsday for jobs.

## **Myth #6: Illegal immigrants will get free coverage**

*The president specifically promised the American people that 'Obamacare' would not cover those who are here illegally. He misled all of us.*<sup>17</sup>

–Rep. Joe Wilson (R-SC), 08/15/2011

The health care law goes out of its way to prevent benefits from going to illegal immigrants.<sup>18</sup> It continues the current ban on coverage for illegal immigrants in Medicaid and extends the ban for all new benefits.<sup>19</sup> Moreover, illegal immigrants won't be able to buy coverage with their own money through the new public program called an insurance exchange.<sup>20</sup>

## **Myth #7: Insurance costs will go up**

*The health care law has caused health insurance premiums to increase for families struggling to make ends meet.*<sup>21</sup>

*-Rep. Nan Hayworth (R-NY), 06/28/2012*

The new health care law lowers administrative costs for employers and employees and increases choice and competition in health insurance. A family of four will save as much as \$2,300 on their premiums in 2014 compared to what they would have paid without reform, according to the Congressional Budget Office.<sup>22</sup> Premiums for the same plan will be up to 2 percent lower for small businesses and 3 percent lower for large businesses.<sup>23</sup>

## **Myth #8: Taxpayer-paid abortions**

*Obamacare contains an "abortion surcharge and a secrecy clause" that forces "pro-life Americans ... to pay for other people's abortions."*<sup>24</sup>

*-Rep. Chris Smith (R-NJ), 03/15/2012*

The health insurance reform legislation maintains the current law of no federal funding for abortions, except in

cases of rape, incest or when the life of the woman is endangered. A federal judge recently wrote “the express language of the [Affordable Care Act] does not provide for taxpayer funded abortion. That is a fact and it is clear on its face.” <sup>25</sup>

## **Myth #9: Employers will stop providing coverage**

*“Plan elimination is the first major consequence of PPACA that small-business owners likely feel.” <sup>26</sup>*

*–National Federation of Independent Businesses, 07/2011*

Studies by the Congressional Budget Office, the Rand Corporation, and the Urban Institute have shown how employers will continue to have strong incentives to cover their workers. <sup>27</sup> They will continue to compete for the best employees by offering benefits that employees want. Employers and employees will also still have strong tax advantages for employment-based coverage.

## **Myth #10: Too few doctors**

*“...we won’t have anywhere near enough doctors to care for the expanded volume of patients that Obamacare will create.” <sup>28</sup>*

*–Marc Seigel, National Review, 03/30/2012*

The new law will give more Americans coverage that will help them afford care, and in turn, there will be more demand for services such as primary care, which is already in short supply. Congress anticipated this problem and increased reimbursement and funding for primary care doctors and other health professionals such as physician assistants and

nurses.<sup>29</sup> President Obama's administration recently announced an additional \$250 million to boost the supply of primary care providers.<sup>30</sup>

## **Myth #11: More Americans will depend on the federal government**

*A little less than 50 percent of the people in this country depend on some form of government benefit to help provide for them. After Obamacare, it will not be less than 50 percent; it will be 100 percent.*<sup>31</sup>

*–Rick Santorum, 03/06/2012*

The new law will make coverage affordable to those who cannot afford it now, but the number of people receiving assistance will be well below 100 percent of the population. According to Politi-Fact.com about 60 percent of the population will be receiving some form of government assistance.<sup>32</sup> This assistance includes a tax credit for private insurance, Medicare or coverage through another government program like the VA or federal employee benefits.

## **Myth #12: The uninsured will go to jail**

*If you don't comply with the individual mandate, what happens to you? You can be subject to five years in prison.*<sup>33</sup> ”

*–Rep. Peter Roskam (R-IL) 11/18/2009*

The law specifically states that people who don't pay the penalty cannot be charged criminally. It also forbids liens or levies placed on property for failure to pay.<sup>34</sup>

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