



BUSTING

the
myths
about health reform

September 2009

Q. Does health reform mean a government take-over of the health system or socialized medicine?

A. Absolutely not! Private insurance would remain the cornerstone of the nation's health coverage system under the reform proposals now before Congress. People who have private health insurance through their employers or plans they have purchased themselves would be free to keep those plans. People who do not have health insurance, have lost their insurance or are not covered by their employers would be able to purchase plans through a new insurance marketplace, known as an "exchange," where they can compare costs and benefits of different plans and get the best deal.

Q. But what about the "public plan" we keep hearing so much about?

A. The public plan option, if approved by Congress, would be just one of the coverage choices available through the health insurance exchange created under health reform legislation. If you were buying health coverage through the insurance exchange, you would be able to choose what works best for you. You could choose the public plan, or a private insurance plan. The Congressional Budget Office has estimated that only about 5 percent of people would choose the public plan option. The public plan would be sponsored by the government, but rely on your local doctors, hospitals and clinics to deliver health care, much the way Medicare works now. The proposed public plan would *not* create government-owned hospitals, like the Veterans Administration system.

Q. Would our health care be rationed under health reform?

A. One of the goals of health reform is *to stop insurance companies from rationing our care* by refusing coverage for treatment of pre-existing conditions, canceling people's policies when they get sick and denying claims for needed tests and treatments.¹ Health reform would ban denials of coverage for pre-existing conditions and canceling of

¹ According to the Kaiser Family Foundation, 21 percent of people who apply for health insurance on their own get turned down, charged a higher price or offered a plan that excludes coverage for their pre-existing condition. Sanjay Gupta, CNN's chief medical correspondent, told Anderson Cooper (8/12/09) that "I can tell you, as a practicing physician ... who deals with this on a daily basis, rationing does occur all the time." He reported that insurance companies regularly refuse to cover some tests and treatments. The *Los Angeles Times* reported September 3 that a study of state data found that since 2002, the five largest insurers in California denied 32 million claims, or 1 in every 5, with one insurer denying 39% of all claims.

policies when people become sick. Health reform would give you and your doctor better information about which treatments work and which don't, so you can make informed decisions. It would also set standards for what health insurance should be covering.

Q. What about the claims that there would be “death panels” and that people who are old or really sick would be counseled to choose euthanasia?

A. Those claims are completely false. The proposed House legislation would simply allow Medicare to reimburse professional medical counselors *if patients voluntarily request help* in preparing a living will, providing medical power of attorney to a trusted person or evaluating potential end-of-life treatments. Such counseling would be optional.²

These conversations between patients and doctors would allow people to *choose for themselves* what their end-of-life care should be, rather than having it decided by a doctor, insurance company or someone else not designated by the patient. No one should make that decision but you! That's why the provision allowing Medicare reimbursements for voluntary counseling has been endorsed by the AARP. The suggestion that there would be “death panels” is an outrageous lie circulated by opponents of health reform and has been discredited by more than 40 media organizations.³

Q. Would health reform require federal funding of abortions?

A. The health reform legislation now pending in Congress would *maintain existing policy on federal funding of abortions*. Women on Medicaid would still be denied federal funding for abortions except in the case of rape, incest or danger to the woman's life. Some states (like NY) could continue using state Medicaid funds to pay for abortions. Raising Women's Voices believes the ban on use of federal funding for abortions for low-income women should be lifted, because it denies access to primary reproductive health care for those women who are the most vulnerable, and can least afford to pay for it themselves. However, that is not what the pending health reform legislation would do.

Women who have private insurance that covers abortion can maintain that coverage.⁴ When choosing to buy a plan through the new insurance “exchange,” people would have the option of choosing one that does cover abortion, or one that does not. The Capps amendment added to the House health reform bill by the Energy and Commerce Committee specifically says that no insurance company would be required to cover abortion. Instead, insurers could choose whether or not to provide abortion coverage.⁵ The legislation would ensure that in every region of the country, there would be at least one plan that covers abortion, and one that does not.

² Sources: AARP, Media Matters for America. The relevant section of the proposed legislation is Section 1233 of the House health care bill, America's Affordable Choices Act of 2009.

³ Media Matters for America

⁴ 87 percent of employer-sponsored health plans include abortion, according to the Guttmacher Institute.

⁵ Arons, J., Center for American Progress, “The Abortion Distortion: Setting the Record Straight on the Capps Amendment,” posted on RH Reality Check, Aug. 26, 2009.

If a low-income woman wanted to buy insurance with the assistance of a public subsidy, *the public subsidy funds could not be used to pay for abortion coverage*. Those subsidy funds would be segregated in a separate pool of money, and only the woman's own private funds could go toward abortion coverage.

Q. Would people who are in our country illegally be able to get free or subsidized health coverage under the health reform bills?

A. No. The health reform legislation pending in Congress would not allow undocumented immigrants to qualify for free or subsidized health insurance.⁶ It would continue existing policies that deny Medicaid and Child Health Insurance coverage to undocumented immigrants.

President Obama outlined this policy during his September 9, 2009, speech to Congress on health reform, and was accused of lying by Congressman Joe Wilson of South Carolina. But, it was Wilson who was wrong, according to the *St. Petersburg Times* fact-checking service: "Joe Wilson of South Carolina said Obama lied, but he didn't."⁷

Only legal immigrants would be eligible for any subsidized coverage, and under current proposals, they still would have to wait five years to be eligible for Medicaid, unless they reside in a state that has chosen to waive the five-year waiting period.⁸

Q. Won't health reform be bad for small businesses?

A. No. Reform would help small businesses and their employees, according to a new analysis from the respected Commonwealth Fund.⁹ Currently, 39 million Americans work for companies with fewer than 50 employees, and only 25 percent of them have health insurance through their employer, according to the analysis.

The Commonwealth Fund study found health reform would assist small businesses by providing tax credits to help them pay for employee coverage and giving them access to more affordable plans through the proposed insurance exchange. The very smallest businesses would be exempted from any requirement to provide health insurance for their employees. Their employees would be eligible to purchase coverage through the exchange and would be eligible for subsidies, depending on their incomes.

⁶ Under the "Individual Affordability Credits" section 242 of America's Affordable Health Choices Act of 2009, an individual eligible to receive a subsidy must be "an individual who is lawfully present in a state in the United States."

⁷ <http://www.politifact.com/truth-o-meter/statements/2009/sep/09/joe-wilson/joe-wilson-south-carolina-said-obama-lied-he-didnt/>

⁸ Some organizations, such as Raising Women's Voices, believe we should cover all immigrants, because health care is a human right and we want our neighbors to be healthy.

⁹ M. M. Doty, S. R. Collins, S. D. Rustgi, and J. L. Nicholson, "Out of Options: Why So Many Workers in Small Businesses Lack Affordable Health Insurance and How Health Reform Can Help," Commonwealth Fund, September 2009.

Q. Would health reform hurt seniors?

A. The reform legislation pending in Congress would *help seniors* in several important ways. For example, it would start to fill in the “donut hole” in Medicare prescription drug coverage – the gap in coverage when annual prescription costs are between \$3,000 and \$6,000. Moreover, health reform would eliminate co-payments for checkups and wellness visits. It would extend the life of the Medicare trust fund for five more years, until 2022.

The bills introduced in Congress would make no cuts in Medicare benefits and actually would prevent a scheduled cut in Medicare payments to doctors.¹⁰ The health reform legislation does aim to cut waste and fraud in the Medicare program, reduce payments to drug companies and encourage hospitals to be more efficient.

Q. If we give everybody health coverage, isn't it just going to cost me more?

A. Under the current system, *everybody who has health insurance is already paying higher premiums to cover the cost of treating people who are uninsured*. It is estimated that this “hidden health tax” adds more than \$1,000 per year to the premiums for family coverage. When everybody has coverage, this hidden tax will start to go down. The health reform bill includes no new taxes for the middle class.¹¹ One proposal would tax insurers for high-cost plans. Insurers could pass that cost along through premiums.

Q. Can we afford to do health reform at this difficult economic time?

A. We can't afford *not* to do health reform now! Millions of American families have no health coverage or are in danger of losing it. Many more Americans have inadequate health insurance plans that deny them treatments they need or charge costly deductibles and co-payments. Without reform, the cost of premiums will keep going up and up, and more employers will drop coverage for their employees.

As a country, *we need to take immediate action to bring the skyrocketing costs of health care under control*. If we do nothing, the cost of national health spending is expected to nearly double over the next 10 years, from \$2.5 trillion to \$4.4 trillion, according to a study in the respected journal *Health Affairs*.¹² That's an increase of \$1.9 trillion – less than even the most expensive version of health reform pending in Congress. President Obama put the price tag of health reform at \$900 billion in his address to Congress on September 9. He also said he would not sign a bill that would add to the nation's deficit.

This fact sheet was prepared by Raising Women's Voices for the Health Care We Need, with assistance from the National Physicians Alliance and Citizen Action of New York.

¹⁰ Source: AARP

¹¹ Source: Families USA

¹² Siska, A, et al, Health Spending Projections Through 2018: Recession Effects Add Uncertainty to The Outlook *Health Affairs*, March/April 2009; 28(2): w346-w357.

