

The *THINK PROGRESS*
Wonk Room

HEALTH DEBATE GUIDE

CARE REFORM



HEALTH CARE REFORM DEBATE GUIDE

As the 111th Congress considers health care reform, conservatives and their industry allies—so-called opponents of health care reform—will likely embark on a misinformation campaign about the consequences and implications of expanding access to affordable health care coverage. The Wonk Room has compiled and debunked the right wing’s most widely circulated myths about reform.

HEALTH CARE MYTH vs. REALITY

1 MYTH: Health care reform will limit patient choice and lead to socialized medicine. Rep. Michael Burgess (R-TX) argued in a Washington Times editorial that what health care reform really “means is limiting freedom—the freedom to choose a doctor, to take your health care with you when you switch jobs, to make personal medical decisions.” The CATO Institute also published a brief asking, “Does Barack Obama Support Socialized Medicine?” before suggesting that, “reasonable people can disagree over whether Obama’s health plan would be good or bad. But to suggest that it is not a step toward socialized medicine is absurd.” [Washington Times, 11/19/2008; Cato Institute, 10/07/2008]

REALITY: Progressive reforms would provide more choice, not less. Progressive proposals give Americans the choice to keep the employer plan they currently have or buy an affordable plan from the national insurance exchange. Individuals and small businesses will be able to “compare private coverage options and a public plan and to purchase

the policy that would work best for them.” Characterizing Obama’s health care as “socialized medicine” is itself “absurd.” In contrast to CATO’s rhetoric, socialized health care is “a system of health care delivery in which care is provided as a state-supported service.” As Jeanne Lambrew points out, accusations of socialism are “far from the truth” given Obama’s reliance on private insurers and providers. Nonetheless, she argues, “accusations of socialized medicine will likely continue to be raised about any reform proposal that is not based entirely on letting private insurance companies rule our health care system.” [Baucus Health Plan, 11/12/2008; Center for American Progress, 5/14/2008]

2 MYTH: Americans will lose their existing coverage. The Heritage Foundation charged in a recent issue health brief that, “the creation of a new public plan would result in millions of Americans losing their employment-based coverage.” [Heritage Foundation, 12/04/2008]

REALITY: Progressive proposals strengthen the employer-based system by spreading the risk and cost of insurance.

An employer mandate on larger employers will encourage companies to continue providing coverage and will make the process of providing insurance more affordable by spreading the costs of insurance. A majority of large American employers would continue to provide coverage as a competitive benefit, while businesses with the fewest workers and the lowest wages would be exempt from the mandate and offered a new tax credit to purchase health insurance for their employees. [Baucus Health Plan, 11/12/2008]

3 MYTH: The government will ration care.

Michael Cannon, director of health care policy at the Cato Institute, charged in a recent Washington Times editorial that, "The Left's idea of limiting Medicare spending is to have bureaucrats tell Mom she cannot have the cancer treatment she wants. Obama & Co. propose taxpayer-funded research that will help Medicare do just that. Expanding government health programs will hasten the day that government rations medical care to seniors." [Washington Times, 12/28/2008]

REALITY: Progressive proposals will allow Mom and her doctor to choose the best treatment for her cancer.

Research into the comparative effectiveness of treatments can identify the procedures that provide the best results at the lowest cost. Currently, at least one-third of medical procedures have questionable benefits, according to the Rand Corporation. [Rand Corporation, 1998]

4 MYTH: Affordable health care reform will create a government monopoly over health care.

A recent editorial in the Washington Times maintained that health reform would "reduce consumer choice and drive many private insurers out of the market, leaving all but the wealthiest Americans with little choice but to receive care from the resulting government monopoly." The Heritage Foundation is similarly arguing that affordable health reform would "cancel private coverage and care." [Washington Times, 11/26/2009; Heritage Foundation, 12/04/2008]

REALITY: Progressive proposals for a public plan would create real choice and real competition, with all health plans focused on delivering better care at lower costs. According to the

Urban Institute, “the presence of a well-run public plan would constrain private spending, as the plans would have to compete on price.” In fact, private insurers who “offer a superior product through high levels of efficiency, satisfaction in consumer preferences and ease of access to quality medical services” will thrive in a reformed market. The presence of a well-run and effective public plan will incentivize innovation in cost containment and service delivery. [Urban Institute, 10/03/2008]

5 MYTH: A new public program will only drive up health care costs and increase premiums for Americans with private insurance. Karen Ignagni, the CEO of American Health Insurance Plans, recently argued that, “a new public program similar to Medicare would exacerbate cost-shifting, which already adds \$1,500, or 10 percent, to the average premium for a family of four.” [New York Times, 12/17/2008]

REALITY: A public plan will contain costs, lower premiums, and give Americans a choice of health plans—public and private. A recent analysis of the public option by the Institute for America’s Future concluded that offering a new public insurance op-

tion to Americans who lack coverage would control health care costs and improve quality by providing an important benchmark for private insurance within a reformed health care framework. Universal coverage will reduce cost shifting by getting everybody covered, and it will contain costs through investment in prevention, management of chronic care, 21st-century information technology, and research on and the adoption of effective treatments. [Institute for America’s Future, 12/17/2008]

6 MYTH: Health care reform in Massachusetts is “an unfolding disaster.” A recent editorial in the Wall Street Journal argues that, “Massachusetts’s plan is an unfolding disaster and demonstrates how [incoming Health and Human Services Secretary Tom Daschle’s] private/public model is merely a stalking horse for government-dominated health care.” [Wall Street Journal, 12/30/2008]

REALITY: The popular Massachusetts model has greatly reduced the number of uninsured and increased access to coverage. Nearly three-quarters of previously uninsured Massachusetts residents now have medical coverage, half of the newly

insured “are enrolled in private health insurance and employer-sponsored plans,” and “the number of visits to hospitals and community health centers by the uninsured declined by 37 percent,” which has saved the state an estimated \$68 million. A recent survey released by the Urban Institute “finds that more than 97 percent of Massachusetts’s residents now have health insurance.” [Boston Globe, 8/20/2008; White Coat Notes, 12/18/2008]

7 MYTH: Being uninsured is not a problem; it’s people’s own fault.

During a recent interview with Tufts University’s independent student newspaper, former Sen. Bob Dole (R-KS) downplayed the number of Americans without health insurance. “However, 11 million of that total are illegal immigrants. Ten million more are people who can buy their own insurance. Finally, another 10 million are people your own age who think they are never going to get sick or hurt and are not vulnerable,” Dole argued. [Tufts Daily, 12/04/2008]

REALITY: Americans are uninsured because they can’t afford the high costs of insurance. According to the Kaiser Family Foundation, most Americans who lack health insurance

“come from working families and have low incomes.” About two-thirds of the uninsured “are poor or near poor” and are “less likely to be offered employer-sponsored coverage or to be able to afford to purchase their own coverage.” [Kaiser Family Foundation, 10/15/2008]

8 MYTH: Illegal immigrants are driving the nation’s uninsured problem. During the election, political strategist Dick Morris argued that, “covering illegals adds dramatically to the cost of any program—and would encourage more folks to enter America illicitly.” [Newsmax, 7/21/2008]

REALITY: Immigrants are not the primary factor driving the uninsured problem or rising health care costs.

As the Kaiser Family Foundation points out, while “non-citizens are much more likely to be uninsured than citizens” because of limited access to employer based health care coverage and restrictions for public coverage, citizens still make up “the bulk of the uninsured.” The majority (76 - 80 percent) of the growth in the number of uninsured from 2000 to 2006 occurred among citizens—not legal and undocumented non-citizens. Moreover, because non-citizens are much less likely

than citizens to have a usual source of care, they have significantly lower per capita health care expenditures than citizens and are also “generally restricted from enrolling in Medicaid and SCHIP.” [Kaiser Family Foundation, 3/11/2008]

9 MYTH: Health care reform won't save money.

Fred Barnes of the Weekly Standard argued in a recent appearance on the Fox News Channel that affordable health care reform wouldn't save money or improve the quality of care. “In other words, we're going to insure all the uninsured, and they're going to have better healthcare. In other words, you're going to get a lot more for less. Now, does anybody who can tie his shoes believe that? I don't think so! Come on! That's ridiculous. We're going to save money. There's going to be a lot more for you, but it will cost a lot less,” Barnes opined. [Wonk Room, 12/12/2008]

REALITY: If everyone had access to affordable health care and life-saving preventive services, the system could better manage chronic diseases, end the cost shift from the uninsured to the insured, and improve efficiency.

A Families USA study found that uncompensated care for the uninsured contributes an average of \$922 to

family health insurance premiums. As Chris Jennings has pointed out, “if people go in and out of the system you can neither prevent that problem nor can you coordinate the disease [management] well if you don't have coverage.” [Families USA, 7/12/2005, Wonk Room, 12/12/2008]

10 MYTH: Deregulating the health care industry will solve the health crisis.

A recent Washington Times editorial suggested, “Let the marketplace answer both calls [of affordability and accessibility]...The government cannot possibly do for Americans what the marketplace can.” [Washington Times, 12/15/2008]

REALITY: The current marketplace is broken; it has failed to keep costs down and increase access to care.

Rather than competing on the value of care, insurance markets have “become dominated by a small number of large insurers” that don't use their market power to drive bargains with providers. The marketplace has contributed to skyrocketing premiums, huge cost-shifts to families through higher deductibles and co-payments, and has largely excluded individuals with pre-existing conditions from coverage. [Wonk Room, 12/15/2008]

11 MYTH: A Federal Health Board will lead to a big government takeover of health care. Describing Sen. Tom Daschle's (D-SD) Federal Health Board proposal, the Heritage Foundation wrote that the new "public agency" would constitute "an unprecedented level of government regulation and control over the delivery of health care." "In short, Mr. Daschle's prescription for health care reform is centralized government control over our health-care decisions by a powerful elite that will decide what's good for us, and what isn't," explained Robert Moffit, director of the Heritage Foundation's Center for Health Policy Studies. [Heritage Foundation, 12/04/2008; Washington Times, 1/12/2009]

REALITY: A Federal Health Board would improve health efficiency and transparency. Far from establishing "control over the delivery of health care," a Federal Health Board would leave all care delivery decisions to the doctor and patient. As Sen. Max Baucus (D-MT) explains, "reforming the health care system to cover all

Americans through a mix of private and public means involves complex decisions that must be responsive to rapid changes in the health system. Such a system would require oversight, but Congress cannot make all necessary decisions to guide it." For that reason, a board would increase accountability and transparency in health care decision making, much like the Federal Aviation Administration or Federal Reserve set aviation and monetary policy respectively. [Baucus Health Plan, 11/12/2008]

12 MYTH: Reform means forcing people to buy coverage they can't afford. Michael Cannon, director of health policy studies at the CATO Institute, argued in the Washington Times that, "Mandating that people purchase health insurance—on their own or through an employer—will increase its cost" and force "Americans to switch from their current health plan to a more expensive one, threatening their current source of care." [Washington Times, 12/28/2008]

REALITY: Extending coverage to all will provide Americans with insurance they can use. Far from “forcing” Americans to buy more expensive coverage, progressives will ensure that Americans have access to a wide array of comprehensive insurance policies that they can use if they become sick. A watered-down policy with high deductibles is no insurance at all. Americans who cannot afford coverage will receive new tax credits to help make coverage more affordable and ensure that families don't spend more than a certain percentage of income on health insurance premiums. [Progress Report, 12/12/2008]

13 MYTH: Employer “pay or play” provisions will cost jobs. The National Review has argued that “pay-or-play”—a provision that requires large employers to either offer their employees coverage or pay into a fund that will help finance health insurance for their workers—would have “devastating” consequences

“for the lowest paid workers.” “These employers would therefore have no choice but to eliminate these jobs, lest they end up paying more for their workforce than it is worth to the firm.” Conservatives also argue that, “instead of bolstering private coverage, ‘pay or play’ would become the excuse for companies to drop their plans and push their employees into public insurance.” [National Review, 7/10/2008]

REALITY: Employer mandates have not resulted in employers eliminating jobs. Most large employers subject to a mandate already provide coverage to their workers. In fact, a recent Commonwealth study of working-age adults in Massachusetts—which has instituted an employer mandate—revealed that, “employers have neither dropped coverage nor restricted eligibility for coverage in the state’s first year of health reform.” [Commonwealth Fund, 10/28/2008]



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Center for American Progress Action Fund



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