



MYTH VS. REALITY ON HEALTH CARE

“In Press Conference, Obama Previews Some Health Care Myths For Tomorrow’s Primetime Infomercial”

Sen. Ron Wyden (D-OR): *“People don’t want government in the driver’s seat ... They don’t want decisions (about their treatment) made in Capitol hearing rooms with a bunch of legislators in dark suits ... People can’t be tricked into fixing health care.”* (Collin Levy, “Wyden’s Third Way,” *The Wall Street Journal*, 6/22/09)

MYTH: OBAMA CLAIMS HIS PLAN WILL GIVE EVERYBODY LOW-COST “QUALITY HEALTH CARE”

Obama: *“We have decided it’s time to give every American quality health care at an affordable cost.”* (President Barack Obama, Remarks at a Town Hall Meeting on Healthcare, Green Bay, WI, 6/11/09)

Obama Said Public Option With “Good-Quality Care, For A Reasonable Price ... Makes Sense.” *“As one of those options, for us to be able say, here’s a public option that’s not profit-driven, that can keep down administrative costs and that provides you good-quality care, for a reasonable price, as one of the options for you to choose, I think, that makes sense.”* (President Barack Obama, Remarks At White House Press Conference, Washington, DC, 6/23/09)

REALITY: DEMOCRAT PLAN CREATES \$1+ TRILLION DEFICIT, LEAVES OVER 36 MILLION AMERICANS UNINSURED

CBO Concludes Democrat Plan Increases Federal Deficit By \$1 Trillion And Counting Over Next Decade. “[E]nacting the proposal would result in a net increase in federal budget deficits of about \$1.0 trillion over the 2010-2019 period. ... It is important to note, however, that those figures do not represent a formal or complete cost estimate for the draft legislation ... Moreover, because expanded eligibility for the Medicaid program may be added at a later date, those figures are not likely to represent the impact that more comprehensive proposals—which might include a significant expansion of Medicaid or other options for subsidizing coverage for those with income below 150 percent of the federal poverty level—would have both on the federal budget and on the extent of insurance coverage.” (Douglas W. Elmendorf, Congressional Budget Office Director, Letter to Senator Edward M. Kennedy, 6/15/09)

Democrat Plan Fails To Insure 36 Million Americans. “The analysis says that the number of uninsured Americans, now estimated at around 50 million, would decrease to about 36 million once the bill was fully implemented.” (“CBO: Senate Bill \$1 Trillion Over 10 Years,” *The Associated Press*, 6/15/09)

MYTH: OBAMA CLAIMS “PUBLIC OPTION” JUST ANOTHER CHOICE

Obama Insists Public Option Will Allow Choice. “That’s why I’ve said that I think a public option would make sense. What that then does is, it gives people a choice. If they’re happy with what they’ve got, if they’re employed by somebody who provides them with good health care, you can keep it. You don’t have to do anything. But if you don’t have health insurance, then you have an option available to you.” (President Barack Obama, Remarks At A Town Hall Meeting On Healthcare, Green Bay, WI, 6/11/09)

REALITY: “PUBLIC OPTION” WILL BE ONLY OPTION

CBO: Democrat Plan Would Result In Employers Canceling the Insurance for 10 Million Americans. “Looking at one

year—2017—as an example, CBO estimates that, under the HELP proposal, about 147 million people would have employer-sponsored insurance in that year, 15 million fewer than would have such insurance under current law. What changes would produce that result? ... [S]ome employers would decide not to offer their employees health insurance coverage, opting instead to provide other forms of compensation. CBO estimates that about 10 million individuals who would be covered through an employer's plan under current law would not have access to that coverage under the draft legislation because some employers would choose not to offer it." (Douglas W. Elmendorf, "How The HELP Committee's Draft Legislation Would Affect Employer-Sponsored Insurance," Congressional Budget Office's "Director's Blog," 6/16/09)

Lewin Group Finds Government-Run Health Care Could Drive 119 Million Americans From Their Current Plans.

"President Obama and Senator Baucus have proposed to create an 'exchange' offering individuals and employers a selection of health plans. They also propose to create a new 'public plan' that would compete for enrollment with private insurance plans in the exchange ... Due to this substantial cost advantage, we estimate that up to 119.1 million of the 171.6 million people who now have private employer or non-group coverage would move to the public plan (70 percent)." (The Lewin Group, "The Cost and Coverage Impacts of a Public Plan: Alternative Design Options," 3/6/09)

Associated Press: Obama Can't Guarantee Americans Can Keep Current Health Coverage In Government-Run Plan.

"President Barack Obama rarely equivocates when he promises that his health care plan will let people keep the coverage they have. His vow sounds reassuring and gets applause, but no president could guarantee such a pledge. Employers sponsor coverage for most families, and Obama's plan still leaves companies free to change their health plans in ways that workers may not like. Employers can even drop insurance altogether." (Ricardo Alonso-Zaldivar, "Promises, Promises: Obama's Health Plan Guarantee," *The Associated Press*, 6/19/09)

- **"White House Officials Suggest The President's Rhetoric Shouldn't Be Taken Literally."** "If you like what you're getting, keep it,' Obama said. 'Nobody is forcing you to shift ...' Neutral observers are ... skeptical. Dallas Salisbury, head of the Employee Benefit Research Institute, called Obama's promise 'an aspirational statement.' 'If he was a king, he would deliver that, but he's not king,' said Salisbury. His group is a nonpartisan information clearinghouse on health and pension benefits. White House officials suggest the President's rhetoric shouldn't be taken literally ..." (Ricardo Alonso-Zaldivar, "Promises, Promises: Obama's Health Plan Guarantee," *The Associated Press*, 6/19/09)

Chicago Tribune Editorial: Government-Run Health Care Will Crowd Out Private Competitors. "But the federal government isn't competition. It is the health care equivalent of Bigfoot, with so many Americans on its rolls that it dictates prices for doctors, drugs, and other benefits. It sets low prices, to be sure, lower than many insurers are able to match. But that just means those doctors and hospitals recoup the losses by shifting costs onto those with private insurance -- amounting to an estimated \$89 billion a year, one insurance exec told a Senate committee a few months ago. A new public option may start small. But it could easily crowd out private plans depending on how premiums, benefits and subsidies are structured." (Editorial, "Hope And Experience," *The Chicago Tribune*, 6/16/09)

Wharton Business School Professor Says Equal Competition Between Government, Private Sector "Impossible." "In reality, equal competition between a public plan and private plans would be impossible. The public plan would inexorably crowd out private plans, leading to a single-payer system." (Scott E. Harrington, Op-Ed, "The 'Public Plan' Would Be The Only Plan," *The Wall Street Journal*, 6/15/09)

President Obama: "I Think There Can Be Some Legitimate Concerns On The Part Of Private Insurers That If Any Public Plan Is Simply Being Subsidized By Taxpayers Endlessly, That Over Time They Can't Compete With The Government Just Printing Money." (President Barack Obama, Remarks At White House Press Conference, Washington, DC, 6/23/09)

MYTH: OBAMA CLAIMS AMERICANS WILL BE ABLE TO KEEP DOCTOR OF THEIR CHOICE

Obama: "If you like your plan and you like your doctor, you won't have to do a thing. You keep your plan. You keep your doctor. If your employer is providing you good health insurance, terrific. We're not going to mess with it." (President Barack Obama, Remarks At White House Press Conference, Washington, DC, 6/23/09)

Obama Insists That Americans Will Not Have To Change Doctors If They Don't Want To. "So let me begin by saying this: I know that there are millions of Americans who are content with their health care coverage - they like their plan and they value

their relationship with their doctor. And that means that no matter how we reform health care, we will keep this promise: If you like your doctor, you will be able to keep your doctor. Period. If you like your health care plan, you will be able to keep your health care plan. Period. No one will take it away. No matter what. My view is that health care reform should be guided by a simple principle: fix what's broken and build on what works." (President Barack Obama, Remarks To The American Medical Association, Chicago, IL, 6/15/09)

REALITY: DOCTORS WILL TURN AWAY PATIENTS BECAUSE OF GOVERNMENT PRICE FIXING

Government-Run Health Care Pays Much Less Than Private Insurance, Which Makes Doctors Refuse Patients.

"Despite more Michiganders piling onto the Medicaid rolls, fewer doctors are treating or accepting new patients insured by this state-run medical program for low-income residents ... Doctors say the state-set reimbursement rates are already too low, in some cases covering only one-third of the actual costs of patient visits ... About 71 percent of doctors surveyed last year by Michigan's health department reported they were accepting new Medicaid patients, a decrease from 80 percent in 2006. Michigan's Medicaid enrollment increased from 1.49 million in 2006 to 1.54 million last year." (Christina Rogers, "Doctors Balk At Medicaid Program," *The Associated Press*, 6/7/09)

Government-Run Health Care Could Drive Doctors Out Of Business, Especially In Rural Areas. "According to Dr. Scott Nelson, a family practice physician in Cleveland, Mississippi ... 'There is an unprecedented level of frustration with the government and Medicare in Mississippi,' Nelson explained. 'I have not heard of any doctors in my area opting out of Medicare, because there are not enough patients with private insurance in the rural Mississippi Delta ... we have no choice but to see them, and we are literally at the mercy of the government. I foresee some small practices closing altogether.' For states that are made up of larger numbers of Medicare patients, this latest round of cuts hits particularly hard. Florida, for instance, stands to lose \$1.25 billion for physician payments by January 2009." (Audrey Grayson, "Docs Bailing Out Of Medicare, Medicaid," *ABC News Medical Unit*, 7/8/08)

Even Obama Admitted Plan Would Only Prevent Government From Forcing People To Change Plans, Not Protect Them From Being Dropped By Their Doctor. ABC's JAKE TAPPER: "[W]hat about keeping your promise to the American people that they won't have to change plans even if employers ..." PRESIDENT OBAMA: "Well, hold on. I -- I mean, when -- when I say, if you have your plan and you like it, and your doctor has a plan -- or -- or -- or you have a doctor and you like your doctor, that you don't have to change plans, what I'm saying is the government is not going to make you change plans under health reform." (President Barack Obama, Remarks At White House Press Conference, Washington, DC, 6/23/09)

MYTH: OBAMA CLAIMS GOVERNMENT-RUN HEALTH CARE GOOD FOR ECONOMY

Obama Insists His Reforms Will Be Deficit-Neutral, Slow Growth Rate Of Health Care Costs And Lead To Faster Economic Growth. "In the weeks and months ahead, I look forward to working with Congress to make up the difference, so that health-care reform is fully paid for -- in a real, accountable way. And let me add that this does not count longer-term savings. I just want to repeat that. By insisting that the reforms that we're introducing are deficit- neutral over the next decade, and by making the reforms that will help slow the growth rate of health-care costs over the coming decades, bending the curve, we can look forward to faster economic growth, higher living standards, and falling, instead of rising, budget deficits." (President Barack Obama, Remarks To The American Medical Association, Chicago, IL, 6/15/09)

REALITY: GOVERNMENT-RUN HEALTH CARE MEANS HIGHER DEFICITS, COSTS AND TAXES

CBO Director Says Plans For Government-Run Health Care Would Worsen Budget Outlook. "President Obama's plan to expand health coverage to the uninsured is likely to dig the nation deeper into debt unless policymakers adopt politically painful controls on spending, such as sharp reductions in payments to doctors, hospitals and other providers, congressional budget analysts said yesterday. While popular measures such as increasing preventive care, expanding the use of electronic medical records and rewarding doctors for choosing more effective treatments have the potential to lower costs, 'little reliable evidence exists about exactly how to implement those types of changes,' Congressional Budget Office Director Douglas W. Elmendorf said in a letter to Senate budget leaders. 'Without meaningful reforms, the substantial costs of many current proposals ... would be much more likely to worsen the long-run budget outlook than to improve it,' he said. ..." (Lori Montgomery, Shailagh Murray

Washington Post: Experts Warn Obama's Plan Means "Higher Costs" For Private Sector. "President Obama's plan to rein in federal spending on health care could end up shifting costs to the private sector, economists say. Unless doctors and hospitals are able to respond to the government cuts by becoming more efficient, the result could be higher costs for insurers, employers, and people with private medical coverage, they say. Historically, health-care spending has been a bit like a balloon: If it is squeezed in one place, it tends to bulge in another. 'I think there's definitely risk that a portion of the reduction in hospital payments from Medicare will wind up as increased payments by private insurers,' said Paul B. Ginsburg, president of the Center for Studying Health System Change. Depending on the circumstances, hospitals may have the motive and means to 'transfer those charges to somebody else,' and 'we'll see costs increasing on the private side and not necessarily falling everywhere,' said Harold S. Luft, director of the Palo Alto Medical Foundation Research Institute." (David S. Hilzenrath, "Health-Care Cuts Could Shift Costs," *The Washington Post*, 6/18/09)

House Democrats Have "Lots Of Potential Targets For Higher Taxes" But Are Trying To Keep It Secret. "House Democrats have lots of potential targets for higher taxes as they aim to expand health care coverage to reach the roughly 50 million that experts say are uninsured. Also under consideration are higher alcohol taxes, increases to the Medicare payroll tax and a value-added tax, a sort of national sales tax, of up to 1.5 percent or more ... The [other] tax options include: increasing the price of soda and other sugary drinks by 10 cents a can, applying a potential 2 percent income tax increase to single taxpayers earning more than \$200,000 a year and households earning more than \$250,000, a new employer payroll tax could target 3 percent of employers' health care expenditures, taxing employer-provided health insurance benefits above certain levels ... House Democrats planned to unveil a draft of their sweeping health care bill Friday ... The draft, being released at a news conference ... was not expected to mention the potentially unpopular tax options." (Erica Werner, "House Eyes New Taxes As Senators Pare Health Bill," *The Associated Press*, 6/19/09)

MYTH: OBAMA CLAIMS GOP USING SCARE TACTICS ON GOVERNMENT-RUN HEALTH CARE

Obama Insists Reform Opponents Trotting Out Same Old Stories About Government-Run Health Care. "And, if we're honest, another part of the reason has been the fierce opposition fueled by some interest groups and lobbyists -- opposition that has used fear tactics to paint any effort to achieve reform as an attempt to, yes, socialize medicine.... We know this is a(n) historic opportunity we've never seen before and may not see again. But we also know that there are those who will try and scuttle this opportunity no matter what, who will use the same scare tactics and fear-mongering that's worked in the past -- who will give dire warnings about socialized medicine and government takeovers, long lines and rationed care, decisions made by bureaucrats and not doctors. We have heard this all before. And because these fear tactics have worked, things have kept getting worse." (President Barack Obama, Remarks To The American Medical Association, Chicago, IL, 6/15/09)

REALITY: FACTS ON GOVERNMENT-RUN HEALTH CARE ARE SCARY

"Obama Once Said If He Was Designing A U.S. Health-Care System From Scratch, It Would Be Modeled On Canada's Universal Single-Payer Formula." (David Olive, "What Obama Enhanced Coverage Linking Obama," *The Toronto Star*, 2/18/08)

- **Sen. Ted Kennedy (D-MA) Is Fan of Canada's System, Too.** "In Canada, where health insurance is publicly financed and providers bill the government for all services rather than having to deal with a multiplicity of insurance companies with different rules and payment formulas, administrative costs are only about half as high as in the United States (16.7% of total health costs in Canada vs. 31% in the United States)." (Sen. Ted Kennedy, "Kennedy Hearing Statement on Expanding Healthcare for all by 2010," Press Release, 1/10/09)

Canadian Truck Driver Was Unable To Leave His Home For A Year While On Government Waiting List For Skull Replacement Surgery. "He waited at home, a prisoner unable to leave the house for fear something would hit the exposed side of his brain - for him a potentially fatal incident. In the end, it took nearly a year before he could get skull replacement surgery." (Tanya Talaga & Robert Cribb, "Year Long Wait for Skull Surgery," *Toronto Star*, 5/22/07)

Restrictions By Canada's Single Payer Insurance System Keep People From Getting Important New Drugs. "Cancer patients desperate enough to order cheaper, unlicensed versions of the drug thalidomide from Mexico now face another

challenge to getting treatment: Federal authorities have reportedly begun seizing supplies of the life-extending medicine at the border. 'Health Canada is stopping every single box of thalidomide,' said an official with a Mexican company that makes the pills, who asked not to be named. 'Patients are starting to die because of this.'" (Tom Blackwell, "Ottawa Seizing Mexican Cancer Drug," *National Post*, 6/15/09)

Berkley Professor Who Wrote Book Outlining "Public Option" Confirms It Will Lead To Government Takeover Of Health Care. "Someone once said to me, this is a Trojan Horse for single-payer, and I said, 'Well, it's not a Trojan Horse, right? It's just right there.' I'm telling you, we're going to get there over time, slowly, but we'll move away from reliance on employment-based health insurance, as we should, but we'll do it in a way that we're not going to frighten people into thinking they are going to lose their private insurance, we're going to give them a choice of public and private insurance when their in the pool, and we're going to let them keep their private employment-based insurance if their employer continues to provide it." (Jacob Hacker, Remarks at The Tides Foundation's Momentum 2008 Conference, San Francisco, CA, 7/21/08)