
The latest CBS poll reveals that 53 percent of Americans do not like the health care bill and 55 percent want the legislation repealed.

The following are highlights of the new legislation:

Effective September 2010

Insurance Companies:

- Young adults can stay on their parents' health care plans until age 26.
- Insurers cannot cancel existing policies when someone gets sick.
- Insurers cannot deny coverage to children with pre-existing conditions.
- No lifetime limits on an insurance policy.

State-Run High Risk Pools:

- The federal government will spend \$5 billion to beef up or establish high risk pools for individuals who have been uninsured for six months or more. This will be in effect from now till 2014 when the state-run insurance exchanges are operating.

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FACTS ON OBAMA CARE

By Sally C. Pipes



President Barack Obama signed the 2,309-page “Patient Protection and Affordability Act” into law on March 30, 2010 without a single Republican vote. Designed to achieve universal coverage while at the same time reducing costs, this bill, estimated by the Congressional Budget Office to cost \$940 billion over 10 years, will most likely cost \$2.6 trillion. Americans will face increased taxes, lower quality health care with fewer doctors, and rationed care.



Effective 2011 and Beyond

Expanding Coverage:

- 32 million more Americans will be covered; 16 million will be added to Medicaid, the program for low-income Americans. This will increase costs, not reduce them.
- Out of the 46.3 million uninsured according to the U.S. Census Bureau, 14 million are already eligible for Medicaid but have not signed up. The most likely reason is they know it is easier to turn up in an emergency room than trying to find a doctor who takes Medicaid patients.

Medicare and Medicare Advantage:

- The President wants to eliminate Medicare Advantage, the popular private alternative for one-quarter of seniors – \$202 billion will be cut from the program in 2011.
- Traditional Medicare will be cut by \$529 billion over 10 years. Medicare is already projected to be bankrupt by 2017. One in three newly eligible seniors cannot find a doctor under Medicare because the federal government reimbursement rates are too low.
- Under Medicare Part D, the prescription drug benefit, the doughnut hole will be fully closed by 2020. This will destroy the R&D industry in America.
- Major companies have already announced write downs of more than \$2 billion because of anticipated higher benefit costs. Starting in 2013, companies will lose the 28 percent subsidy they currently receive for retirees in Medicare Part D.
- In 2013, couples earning over \$250,000 will pay a .9 percent increase in the Medicare Payroll tax, bringing the total to 2.35 percent.
- A new Medicare tax for the same group will impose a 3.8 percent assessment on unearned income—dividends, interest, rental income etc.

Excise Taxes on Insurance, Drug, and Medical Device Companies:

- These will begin in 2011.

State-Run Insurance Exchanges:

- Will be operational in 2014 offering private plans for individuals and small businesses. By mandating “Guaranteed Issue” and “Community Rating”, insurers cannot discriminate based on medical history or charge different prices for insurance based on one’s health or lifestyle. This will result in ultimately increasing the cost of insurance and pushing private insurers out of the market, leaving the door open for the “public option.”

Federal Government Subsidies:

- Effective 2014, depending on income, families of four would be eligible to receive tax credits to help them buy coverage they cannot afford. This program will be fully implemented in 2017 and will add significantly to the cost of the health care bill.

Individual Mandate:

- The bill mandates that by 2016 everyone must have insurance or face a fine of \$695. This is going to increase premiums for all and particularly the young. The young “invincibles” will choose to pay the fines rather than purchase insurance.
- 16,000 new IRS agents will be hired to police the mandate.
- IRS Commissioner Doug Shulman said that under the law, the federal government cannot freeze bank accounts, seize assets, or pursue criminal charges but individuals could be penalized if they do not have insurance by reducing or confiscating tax refunds.
- 18 states have now banded together to file a lawsuit protesting the constitutionality of an individual mandate.
- In most states car insurance is mandatory and yet 15 percent of drivers operate cars without insurance.

Employer Mandate:

- No employer mandate but if any employee in a firm with more than 50 employees receives a government subsidy to buy insurance in an exchange, the employer will have to pay a \$2,000 fee to the government covering all employees, not just those receiving the subsidy. This is going to be bad for job creation at a time when it is so important for our economy.

Controls on Insurance Companies:

- Starting in 2014, insurance companies will have to sign on all applicants regardless of their medical condition and comply with government regulations for what they can charge. This is going to result in price controls on insurance companies and ultimately destroy the private insurance market. This is happening in Massachusetts right now. Obama said he used the Massachusetts model as the basis for his health care overhaul.

40 Percent Tax on “Cadillac Health Plans”:

- The tax on Cadillac Health Plans will go into effect in 2018. The exemption for individuals participating in employer-based health care plans is \$10,200 and for families \$27,500. Of course, companies do not pay taxes so the cost will be passed onto the American people in the form of higher taxes.
- It is unclear if this tax will ever go into effect. There is talk now of a VAT to raise funds to support the cost of the health care reform package.

Some solutions that would lead to universal coverage at a lower cost:

- Put doctors and patients back in control rather than third parties.
- Change the federal tax code so that individuals have the same tax advantage as those who have employer-based insurance.
- Encourage states to introduce legislation that would limit lawsuit abuse.
- Promote Health Savings Accounts by reducing regulations.
- Encourage states to reduce mandates on insurance companies.

The bottom line is that under the new health care plan, taxes and deficits will increase, care will be rationed, and quality of care will decline. This is the largest entitlement program since the “Great Society.” America is on the “road to serfdom” unless this legislation can be repealed and replaced.