

# Ten Big Myths about Health Reform

**#1: Health reform is a government takeover of the healthcare system. It's "socialized medicine."**

**Fact:**

Very little will change about how your healthcare is provided. Most health insurance will continue to come from private companies. Ownership and control of hospitals and doctors' offices will stay the same. The parts of the healthcare system that are currently run by the government—Medicare, Medicaid and the Veterans' Administration—will continue to function as they have been.

**#2: I will lose my current healthcare benefits.**

**Fact:**

If you're currently covered by health insurance, nothing will be taken away as a result of the new health reform law.

In fact, you will have more protections: for example, your insurer can no longer place lifetime limits on what they will pay for your care.

**#3: The government will tell my doctor what to do.**

**Fact:**

The new law establishes an institute to collect information and research that will help your doctor know which treatments are most effective, but all medical decisions will remain in the hands of you and your doctor.

**#4: The new law creates "death panels" that will decide which people get life-saving treatments.**

**Fact:**

The origin of this bizarre rumor is hard to figure out. Either it refers to the fact that physicians will now get paid under Medicare for the time they spend discussing with patients whether they would like a "living will," or to the fact that there now will be an institute that provides information about comparative effectiveness—whether expensive treatments are any more effective than less expensive treatments. In either case, it's definitely not true.

**#5: Medicare will be cut.**

**Fact:**

Medicare benefits will not be cut; in fact, they'll be expanded. Beginning next year seniors will get free preventive services such as breast cancer, prostate cancer and colon cancer screenings as well as annual wellness visits. Seniors who are paying out of pocket for their prescriptions because they are in the "donut hole," will receive help with the costs and the donut hole will be phased out by 2020.

The biggest change will be to Medicare Advantage plans. Currently, Medicare pays more to private insurance plans for the same services that can be received more cheaply through traditional Medicare. Those overpayments will gradually be phased out and payments will be based on the quality of care and customer service. The law also requires that a specific percentage of private insurers' premium income go to medical

care instead of corporate profits. Some insurance companies may choose to raise premiums or cut services rather than lose profits.

## **#6: Health reform will bankrupt the U.S.**

### **Fact:**

According to the independent Congressional Budget Office (CBO), health reform will REDUCE the federal deficit by \$138 billion over 10 years and by another \$1.4 trillion in the following decade.

## **#7: States will go bankrupt because of new obligations to cover the uninsured through Medicaid.**

### **Fact:**

According to a recent report by the Kaiser Family Foundation and the Urban Institute, approximately 11 million people will get healthcare coverage as a result of the Medicaid expansion and the federal government will pick up the overwhelming majority of the cost of the expansion—approximately 95.4 percent.

## **#8: Health reform will raise my taxes.**

### **Fact:**

Some people WILL pay higher taxes, but mostly upper- income families. Beginning in 2013, married couples with incomes higher than \$250,000/year and singles making more than \$200,000/year will pay an extra 0.9 percent in Medicare payroll taxes and a new 3.8 percent tax on "unearned income" such as investment interest, annuities and rent.

Eventually there will be a tax on "high cost" plans but it doesn't begin until 2018 and even then only affects plans that cost more than \$10,200 per year for single coverage or \$27,500 per year for family coverage.

## **#9: Health reform will increase insurance premiums.**

### **Fact:**

The independent Congressional Budget Office (CBO) projects that reform may actually lower premiums slightly for group health plans and by 14 percent to 20 percent for people who purchase their own insurance.

## **#10: People will be sent to jail if they don't buy health insurance.**

### **Fact:**

Beginning in 2014 people who don't have insurance will be required to buy coverage. There will be several low-cost plans offered and low-income families and individuals will receive significant financial assistance to help them pay the premiums. Those who choose to remain uninsured will be fined \$95 or 1 percent of their income in 2014, rising to \$695 or 2.5% of their income in 2016. No one will be sent to jail for being uninsured and the government will not be permitted to seize property or use liens to collect the penalty.