



DPCC Fact Check:

Top 5 Republican Myths About Health Reform



DEMOCRATIC POLICY & COMMUNICATIONS CENTER | 202.224.2939 | DPCC.SENATE.GOV
CHAIRMAN SENATOR CHARLES SCHUMER | VICE-CHAIRWOMAN SENATOR DEBBIE STABENOW

In their efforts to protect insurance companies and take away health benefits from millions of Americans, Republicans continue to misrepresent the facts about the Affordable Care Act.

False Claim #1 – Health Reform Is A “Job-Killer”

FACT – Independent, Nonpartisan Analyses Demonstrate That ACA Will Create Jobs by Helping Grow Our Economy and Empower Small Businesses.

Despite Republican claims, since enactment of ACA hiring has been strong – and the health sector is growing to meet an increase in demand for services.

- **The economy has created over 3.2 million jobs since health reform was signed into law.** The unemployment rate in February 2012 was 8.3%, lower than it was in March 2010—9.8%. [BLS, 3/9/12]
- **Healthcare was the largest contributor to employment growth,** with a 22 percent share that was almost twice as big as manufacturing. [Bloomberg News, 2/1/12]
- **The health care sector added an average of almost 30,000 jobs per month over the last year** with growth tied to the need for hospitals “to compete for tens of millions of now-uninsured patients the federal law will make eligible for health coverage beginning in 2014.” [BLS, 3/13/12; USA Today, 11/30/11]
- The recent Wall Street Journal article, *“Blasted By GOP, Health Reform Is Adding Jobs,”* highlights that the **ACA is undoubtedly growing the economy.** [WSJ, 1/31/12]

**False Claim #1
Health Reform Is A
“Job-Killer”**

Health reform will drive job and economic growth into the next decade and beyond:

- Job growth in healthcare will outpace other sectors through 2020, with employment in healthcare support occupations predicted to grow the fastest, at 34.5 percent. **Registered nurses, home health aides and personal care aides are expected to be among the occupations that add the most jobs at 712,000, 706,000 and 607,000 respectively.** [Healthcare Finance News, 2/3/12]
- Following enactment of Governor Romney’s health reform overhaul in Massachusetts, **the sector grew by 9.5 percent, “almost twice as fast as in the U.S. as a whole.”** [USA Today, 11/30/11]
- **Repealing health reform would be the real job killer.** By eliminating provisions that slow the growth of healthcare costs for employers and individuals, **repealing ACA could kill as many as 400,000 new jobs this decade.** [CAP, 1/2011]



Given all of the evidence demonstrating that ACA will grow our economy, Republicans distort CBO analysis in support of their false “job-killing” claim.

- **CBO analysis is more nuanced than the Republicans have let on.** CBO projects that millions of Americans will have increased financial resources by 2021. **Since they’ll be able to keep more of their own money, rather than paying it out in insurance premiums, some individuals may decide to leave the labor market earlier than initially anticipated.** [CBO, 8/1/2010]
- **New consumer protections, including prohibitions on insurance from varying premium prices based on age, will allow more elder Americans to purchase plans outside of the workplace and retire earlier than they otherwise would.** Additionally, individuals living with pre-existing conditions may no longer have to work two jobs in order to have access to health insurance.
 - “As a result, some older workers will choose to retire earlier than they otherwise would.” [CBO, 8/1/2010]
- For the segment of the population considered in the CBO projection, **the amount of labor that workers choose to supply will be impacted by subsidies reducing the cost of health insurance obtained through the state exchanges and the expansion of Medicaid eligibility.**
 - “The expansion of Medicaid and the availability of subsidies through the exchanges will effectively increase beneficiaries’ financial resources. Those additional resources will encourage some people to work fewer hours or to withdraw from the labor market.” [CBO, 8/1/2010]

Republicans continue to make these false claims despite being debunked by nonpartisan analyses:

- **FactCheck.org: “GOP’s ‘Job Killing’ Whopper, Again”** “The exaggerated Republican claim that the new health care law ‘kills jobs’ was high on our list of the ‘Whoppers of 2011.’ But the facts haven’t stopped Republicans and their allies from making the ‘job-killing’ claim a major theme of their campaign 2012 TV ads.” [FactCheck.org, 2/21/12]
- **FactCheck.org: “A ‘Job-Killing’ Law? House Republicans Misrepresent The Facts.”** “When it comes to truth in labeling, House Republicans are getting off to a poor start with their constantly repeated references to the new health care law as ‘job-killing.’” [FactCheck.org, 1/7/11]
- **Politifact.com: “The Health Care Law A ‘Job Killer’? The Evidence Falls Short”** “Republicans have used the ‘job-killing’ claim hundreds of times -- so often that they used the phrase in the name of the bill. It implies that job losses will be one of the most significant effects of the law. But they have flimsy evidence to back it up.” [Politifact.com, 1/20/11]
- **Washington Post: “Playing Games With CBO Testimony On Jobs And The Health-Care Law.”** “This is the kind of political gamesmanship that gives politics a bad name. The House GOP has taken a sliver of a phrase and twisted it beyond all meaning... Given that Republicans have routinely faulted the CBO for its estimates and assumptions on the health care bill, they should be ashamed of immediately embracing this particular aspect of the CBO’s analysis.” [Washington Post, 2/11/11]



False Claim #2 – Democrats Cut \$500 Billion From Medicare, Jeopardizing Care For Seniors.

FACT – Republicans Voted For The Same \$500 Billion In Medicare Savings, But Didn't Lower Drug Costs For Seniors. They Did Call For Millionaire Tax Relief.

Republicans liked the policy changes Democrats made to strengthen Medicare so much that they adopted them in their own budget.

- Although they repeal *most* of the health reform law, including the pieces that lower health care and prescription drug costs for seniors and middle-class families, **Republicans actually maintain \$480 billion in savings resulting directly from health reform provisions like reducing overpayments to private Medicare plans – the very same ones they attack as cutting Medicare** [Path to Prosperity, 4/11/11; CBO, 4/11]
- **Republicans keep the \$480 billion in savings they attack, but wouldn't lower health care and prescription drug costs for seniors. However, their plan does make room for budget-busting millionaire tax cuts.** [Center on Budget and Policy Priorities, 5/26/11]
- **Republicans “end Medicare as we know it” and double health care costs for seniors.** The same Republican plan will end Medicare as we know it, end guaranteed benefits and double annual costs for seniors by 2022 from roughly \$6,200 to \$12,500, while providing a windfall of trillions for the health insurance industry. [WSJ, 4/4/11; CBPP, 4/8/11]

ACA investments that strengthen Medicare will save seniors and taxpayers \$500 billion over the next decade without touching benefits.

- Democratic investments in Medicare **extend solvency by empowering CMS with new tools to fight health care fraud, encouraging better coordination of care to weed out duplication of tests and improve outcomes, and eliminating overpayments to private plans.**
- **Reforming provider payments -- rewarding quality of care (\$224.6 billion in savings through 2019):** ACA ensures that provider payments are tied to quality of care for seniors. Rewarding quality, rather than quantity, will save money, improve efficiency in care delivery, and lay the groundwork for a long-term transformation of our health care system.
- **Cracking down on waste, fraud and abuse in the Medicare system (\$6 billion through 2019):** Reducing waste, fraud and abuse in Medicare will save taxpayer dollars. ACA includes many new and powerful tools to fight fraud and abuse in Medicare. [OIG, 4/21/09]
- **Improving coordination of care between doctors, hospitals, and patients (\$4.9 billion savings through 2019):** ACA encourages groups of providers to work together to improve the quality of care they deliver to Medicare beneficiaries. Not only is this the right thing to do, it saves Medicare money, and providers would be able to keep a portion of the savings they achieve for the Medicare program.
- **Improving patient safety -- lowering hospital readmissions and hospital-acquired conditions (\$7.1 billion savings through 2019):** Seniors shouldn't have to go back to the hospital because they weren't treated properly the first time. By linking payments between hospitals and other health care facilities, ACA will promote coordinated care after discharge from the hospital and also encourage investments in hospital discharge planning and transitional care to ensure that avoidable readmissions are prevented.

**False Claim #2
Democrats Cut \$500
Billion From Medicare,
Jeopardizing Care
For Seniors.**



- **Reducing excessive Medicare payments to private insurance companies (\$205.9 billion in savings through 2019):** ACA eliminates the practice of paying substantially more to private insurers that contract with Medicare than it would cost Medicare to cover those individuals. Prior to enactment of ACA, Medicare Advantage plans were paid about 14 percent more per patient than in traditional Medicare. ACA levels the playing field by gradually eliminating those excess payments. [CMS, 5/14/11]
- **Savings from changes to Medicare premiums (\$35.7 billion in savings through 2019):** In order to improve Medicare's finances and extend solvency for all seniors, ACA makes modest adjustments to Part B and D premiums for people with the highest incomes, estimated to be 2.2% of all elderly households.

Republicans continue to make false claims, while health policy experts agree that ACA extends solvency, improves quality of care, and reduces the deficit without impacting senior benefits.

- **AARP: “Basic Benefits Will Not Be Cut.”** In their guide, “What Health Care Reform Will Mean to You,” AARP wrote, “The government has guaranteed that basic benefits will not be cut. Next year, all Medicare preventive services, such as screenings for colon, prostate and breast cancer, will be free. Annual wellness visits will also be free starting in 2011.” [AARP, 3/25/10]
- **Center for Medicare Advocacy, Inc: “Health care reform does not reduce Medicare benefits.”** “*The Affordable Care Act* slows the growth in future Medicare spending by reducing overpayments to private Medicare Advantage plans, by restructuring updates in payments to many providers, and by tying payments to improved quality of care. Health care reform does not reduce Medicare benefits. [Center for Medicare Advocacy, Inc. 10/10]
- **Factcheck.org: “Guaranteed Medicare benefits can’t be reduced.”** “Claims that these cuts will ‘hurt the quality of our care’ — like the one below from the 60 Plus Association — ignore the fact that the law adds some benefits to Medicare, such as free preventive care and more prescription drug coverage. And the law (section 3601) says that guaranteed Medicare benefits can’t be reduced.” [Fact Check, 10/10]



False Claim #3 – Health Reform Will End Medicare Advantage.

FACT - Despite Scare Tactics And False Claims That Eliminating Waste Would Impair Access To Medicare Advantage, Costs For Seniors Enrolled In These Plans Are Lower This Year And Enrollment Has Increased.

- **Medicare Advantage premiums have fallen by 7 percent on average and enrollment has risen by about 10 percent since this time last year.** In addition to these positive enrollment and premium numbers, Medicare Advantage program remains strong [CMS, 2/1/12]:
 - On average, there are 26 Medicare Advantage plans to choose from in nearly every county across the country;
 - Access to Medicare Advantage remains strong: 99.7 percent of Medicare beneficiaries have access to a Medicare Advantage plan; and
 - Since 2010, when the Affordable Care Act was passed, Medicare Advantage premiums have fallen by 16 percent and enrollment has climbed by 17 percent.
 - **According to a recent analysis, “average beneficiaries choosing Medicare Advantage received over \$70 in additional benefits and reduced cost sharing in 2010.”** [Avalere, 3/12/12]
- **CBO’s updated baseline budget projections for March 2012 further reinforce that Medicare Advantage enrollment remains strong, increasing projected enrollment from 11.2 million to 13.3 million people in 2013.** [CBO, 3/13/12]
- **Over 9.3 million seniors enrolled in Medicare Advantage plans that offer free preventive services as a result of ACA.** [HHS, 2/15/12]
- **Republican Senators support competitive bidding of Medicare Advantage.** Eight Republican Senators have cosponsored legislation that includes a competitive bidding program for Medicare Advantage. Senators Alexander, Bunning, Burr, Chambliss, Graham, Inhofe, and Isakson are cosponsors of Senator Coburn’s *Patients’ Choice Act* (S. 1099; 110th Congress).

**False Claim #3
Health Reform Will End
Medicare Advantage.**



False Claim #4 – Health Reform Will Increase The Deficit

FACT – The Nonpartisan Analysis From CBO Estimates That ACA Will Reduce The Deficit By \$127 Billion Over A Ten Year Period.

Republicans incorrectly claim that CBO double-counts savings to Medicare. Republicans contend that CBO counts savings to Medicare both for extending the solvency of the Hospital Insurance (HI) trust fund and reducing the impact of new programs on the deficit. **As a result of their interpretation, Republicans claim that \$398 billion in CBO projected savings are erroneous.** [GOP Report, 2/7/2011]

FACTS:

- **ACA slows the growth in Medicare spending while simultaneously extending the solvency of the HI trust fund for an additional 7 years.** [Trustees Report, 5/13/11]
- In the past, CBO projected Medicare savings to both extend the solvency of Medicare and reduce the deficit under the Balanced Budget Act of 1997 and the Deficit Reduction Act of 2005. **The Republican controlled Congresses did not object to CBO scoring at that time or suggest that CBO was double-counting savings to Medicare.** [Center on Budget and Policy Priorities, 3/25/2010]
- The Center on Budget and Policy Priorities reiterated this point before the House Committee on the Budget: **“There’s no double-counting involved in recognizing that Medicare savings improve the status of both the federal budget and the Medicare trust funds. In the same way, when a baseball player hits a homer, it both adds one run to his team’s score and also improves his batting average. Neither situation involves double-counting.”** [Center on Budget and Policy Priorities, 1/26/2011]

Republicans add the cost of permanently fixing the sustainable growth rate (SGR), commonly known as the “Doc Fix,” to the overall cost of ACA. The need for the “Doc Fix” predates the ACA by years and is a completely separate issue. **As a result, Republicans falsely add \$208 billion to the cost of the law.** [GOP Report, 2/7/2011]

**False Claim #4
Health Reform Will
Increase The Deficit**

- Since 2003, Congress has passed the “Doc Fix” 15 times, every time with a bipartisan majority. [CRS, 2/17/12]
- Over the past eight years, Republicans and Democrats have repeatedly enacted a number of temporary fixes for SGR to ensure that seniors and military families have continued access to healthcare services. On February 22, 2012, the Senate and House passed a bipartisan, ten-month SGR fix costing \$17.3 billion. [CBO, 2/16/2012]
- In 2003, President Bush signed the Medicare Prescription Drug, Improvement, and Modernization Act into law following passage by a Republican Congress. **Although the law included a temporary SGR fix, Republicans did not include the cost of the fix as part of the new law.** [CBO, 7/21/2004]
- **Without any precedent, Republicans add the cost of permanently fixing SGR to the cost of ACA. This cost would be incurred with or without health reform. If ACA had not been enacted, Democrats and Republicans would still need to fix SGR.**
- Since 2007, when Democrats took control of Congress, every temporary SGR fix has been paid for



with mandatory savings or revenue increases. Republicans are wrong to assume that the SGR costs should be added to ACA without assuming commensurate savings.

Republicans exaggerate the costs of implementing and administering ACA. Republicans contend that an additional \$115 billion over ten years will be required in discretionary spending to fully implement and administer ACA. [GOP Report, 2/7/2011]

- **Contrary to Republican claims, the law will require an additional \$1.5 billion each year in discretionary funds, not \$10.5 billion as the Republicans contend.**
- **Republicans selectively interpret CBO analysis regarding the discretionary funds required to implement ACA.** Although the CBO analysis states that the law will require an additional \$100 billion in discretionary funding over ten years, the analysis includes \$85 billion for “activities that were already being carried out under prior law or that were previously authorized and that PPACA authorized for future years.” [CBO, 2/18/2011]



False Claim #5 – Health Reform Will Hurt Small Businesses.

FACT – ACA Will Empower Small Businesses By Reducing Health Care Costs, Strengthening Bargaining Power, And Increasing Capital For Additional Investment:

- Research from the Small Business Majority “shows that **without [health] reform, small businesses would pay nearly \$2.4 trillion over the next 10 years in healthcare costs for their workers**; 178,000 small business jobs, \$834 billion in small business wages, and \$52.1 billion in profits would be lost due to these costs; and nearly 1.6 million small business workers would continue to suffer from ‘job lock.’” [Small Business Majority, 1/26/2011]
- **ACA reduces small businesses’ health care expenses through \$40 billion worth of tax credits, with an estimated 4 million small business eligible for these tax credits last year.** [WH, 1/7/12]
 - Additionally, new, competitive state-based insurance exchanges will **enable small businesses to pool together and use their market strength to buy coverage at a lower cost**, the same way large employers do today.
- **Contrary to GOP claims, ACA permits small businesses that wish to keep the insurance plan they currently have to do so.** “In 2011, approximately 72% of small businesses (with 100 or fewer workers) had at least one plan grandfathered under the ACA. So-called ‘grandfathered’ group plans are subject to fewer requirements under the ACA.” [Kaiser Family Foundation, 1/2012]
- “Augustine Faucher, the director of macroeconomics at Pennsylvania-based Moody’s Analytics, said that the law’s deficit savings should **‘bring down interest rates and free up more capital for private firm investment, and therefore could boost long-run growth’** and create more jobs.” [McClatchy Newspapers, 1/17/2011]

**False Claim #5
Health Reform Will Hurt
Small Businesses**

