



# Health Insurance Reform

## Timeline

<h1>2010</h1>	<ul style="list-style-type: none"> <li>■ Bars insurance companies from denying coverage to children who have pre-existing conditions.</li> <li>■ Prohibits insurance companies from dropping your coverage because you get sick.</li> <li>■ Enables uninsured people with pre-existing conditions to get coverage through a high-risk pool. (They can get coverage through the health care exchanges when they are operational.)</li> <li>■ Eliminates lifetime coverage limits and restricts annual limits.</li> <li>■ Allows you to keep your children on your plan until they turn 26.</li> <li>■ Starts phasing in tax credits to help qualified small businesses provide coverage to employees.</li> <li>■ Starts closing the Medicare prescription drug “donut hole” with a \$250 rebate for people who fall into the donut hole.</li> <li>■ Helps companies offset the cost of providing coverage to early retirees.</li> <li>■ Requires new group and individual plans to cover preventive services.</li> <li>■ Requires insurers to report on how much of their premiums is actually spent on medical care and give rebates for excessive costs.</li> <li>■ Provides tax relief, low-interest loans, scholarships and loan repayments for health care workforce, especially in primary care.</li> <li>■ Provides funds to build and expand community health centers.</li> <li>■ Requires new group and individual plans to include a process for appealing coverage and claim denials.</li> </ul>
<h1>2011</h1>	<ul style="list-style-type: none"> <li>■ Provides free preventive care for Medicare beneficiaries, encourages states to cover free preventive care for Medicaid recipients and requires new plans to cover preventive care with little or no cost-sharing.</li> <li>■ Continues closing the Medicare prescription drug donut hole by providing a 50 percent discount on brand-name drugs in the donut hole.</li> <li>■ Makes it easier for small businesses to offer employees tax-free flexible spending accounts for health insurance costs.</li> <li>■ Provides grants to states for consumer assistance programs.</li> <li>■ Allows state Medicaid programs to cover home- and community-based care for people with disabilities instead of institutional care.</li> <li>■ Begins curbing excessive payments to private Medicare Advantage plans.</li> <li>■ Levies an annual fee of \$2.3 billion total against U.S. drug manufacturers, with rates increasing over time.</li> </ul>

<b>2012</b>	<ul style="list-style-type: none"> <li>■ Begins payment reforms and incentives to encourage doctors and hospitals to provide more efficient and higher-quality care and reduce preventable hospital readmissions.</li> <li>■ Creates nonprofit insurance co-ops to compete against commercial insurers.</li> </ul>
<b>2013</b>	<ul style="list-style-type: none"> <li>■ Limits the tax deductibility of compensation to health insurance company executives.</li> </ul>
<b>2014</b>	<ul style="list-style-type: none"> <li>■ Bars insurance companies from denying coverage because of pre-existing conditions or charging more for groups with large numbers of women.</li> <li>■ Prohibits health plans from imposing annual limits on the amount of coverage you can get.</li> <li>■ Opens health insurance exchanges in each state to individuals and small employers, allowing people to comparison shop.</li> <li>■ Makes insurance affordable for lower-income people through tax credits and vouchers to use in the exchanges and by expanding access to Medicaid.</li> <li>■ Requires most people to have health insurance or pay a penalty.</li> <li>■ Requires employers with 50 or more employees that don't provide health coverage to pay a fee for employees who have to get subsidies to buy their own insurance in the exchanges.</li> <li>■ Continues phasing in the tax credits to help qualified small businesses provide insurance coverage for workers.</li> </ul>
<b>2015</b>	<ul style="list-style-type: none"> <li>■ Takes two additional major steps that lower health care costs and improve quality—creating an Independent Payment Advisory Board and a value-based payment program for physicians under Medicare.</li> </ul>
<b>2018</b>	<ul style="list-style-type: none"> <li>■ Begins the excise tax on employer-provided health plans costing more than \$27,500 for family coverage and \$10,200 for individual coverage. For retirees and workers in high-risk professions, the thresholds are \$30,950 for family coverage and \$11,850 for individual coverage. Thresholds will increase with inflation and if the group has a large number of older members or women. The work of union activists reduced the excise tax by 85 percent from the original proposal by raising the thresholds and pushing back the effective date.</li> </ul>
<b>2020</b>	<ul style="list-style-type: none"> <li>■ Ends the doughnut hole coverage gap in the Medicare prescription drug benefit. Seniors continue to pay the standard 25 percent of drug costs until they reach the threshold for Medicare catastrophic coverage, when their co-payments drop to five percent.</li> </ul>



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# **FACT SHEET**

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# **FACT**

## **VS. Fiction**

### **HEALTH INSURANCE REFORM**

<b>FICTION</b>	<b>FACT</b>
Health insurance reform is a government takeover. It's socialism.	Nothing could be further from the truth. Health insurance reform builds on the current decades-old system of employer-provided private health insurance and coverage will actually increase under reform.
Health insurance reform means you will have to give up the health plan and doctor you have now. Government bureaucrats in Washington, D.C., will be telling you and your doctor what you can and cannot do.	Every American still will be able to choose his or her own doctor and health plan and make care decisions with that doctor. Doctors will not be told what to do by Washington bureaucrats, but will get much more support providing quality care. Reform will put a stop to many of the hassles you and your doctor experience now with insurance companies.
Because of the new law, employers will be able to cut collectively bargained health benefits or require union members to pay more.	Nothing in the reform bill changes employer obligations under the federal law to bargain collectively with your union on mandatory subjects of bargaining such as health benefits. Rather, by helping to bring down health care costs, reform will put your union in a stronger position at the bargaining table.
Health insurance reform cuts Medicare and Social Security.	Health insurance reform does not cut any guaranteed Medicare benefits. It increases Medicare benefits by providing free preventive care, cheaper brand-name drugs and closing the "donut hole" in Medicare Part D. Reform also strengthens the Medicare trust funds. The cost savings in Medicare come from insurance companies and health care providers, not from seniors. The reform legislation makes no changes at all to Social Security.

<b>FICTION</b>	<b>FACT</b>
Health insurance reform is too expensive and will swell the budget deficit.	Reform will reduce the federal deficit by \$138 billion over 10 years and by another \$1.2 trillion in the following decade, according to the independent Congressional Budget Office (CBO).
We cannot afford to fix health care in an economic crisis	We cannot afford to not fix health insurance. Rising health care costs are bankrupting families and businesses, and are the cause of our long-term deficit problems. Without reform, we cannot possibly bring health care costs under control.
Health insurance reform will kill jobs.	Rising health care costs are killing jobs now. Reform will help create jobs by laying the groundwork for bringing costs under control and by giving businesses more affordable coverage options.
The “individual mandate” to buy health insurance is unconstitutional.	To make it possible to outlaw insurance company abuses, health insurance reform imposes a modest penalty on individuals who can afford to pay for their own insurance but fail to do so. This “individual mandate” is one of many Republican ideas incorporated into the bill. The penalty is clearly constitutional under Congress’ authority to “lay and collect taxes to provide for the general welfare” and to “regulate commerce among the several states.” Most legal experts agree the Supreme Court is extremely unlikely to strike down the individual mandate, and would have to reject decades of precedent to do so.
Health insurance reform will lead to rationing	Reform will not change your health plan if you already have one, and will not reduce benefits under Medicare or Medicaid. Nothing will stand between you and your doctor or prevent you from making the best health care decisions. But reform will end current forms of rationing by preventing insurance companies from denying you the care you need and by enabling 32 million uninsured people to obtain coverage.
Health insurance reform will raise taxes on the middle class.	By far the biggest tax revenue to pay for reform is a tax on those who earn more than \$200,000 per year (\$250,000 for joint returns). The excise tax on high-cost insurance plans has been reduced 85 percent from the original proposal, and accounts for only 3 percent of the bill’s funding.

<b>FICTION</b>	<b>FACT</b>
Health insurance reform will increase premiums.	The CBO projects that reform will actually lower premiums slightly for group health plans and by 14 percent to 20 percent (for the same coverage) for people who purchase their own insurance individually in the exchanges. It will lower costs by reducing cost-shifting for uncompensated care for the uninsured, creating more competition under the new exchanges, reimbursing plans for the costs of early retirees, allowing individuals to obtain group rates in the exchanges and instituting cost-saving delivery and payment reforms under Medicare that will set the standard for the private sector.
Democrats rammed health insurance reform down our throats too fast even though the American people oppose it.	In 2008 President Obama and House and Senate Democratic majorities ran on a platform of health insurance reform, and the American people elected them. Congress then debated health insurance reform for 14 months. Senate Democrats incorporated 147 Republican amendments and abandoned popular ideas (such as the public option) that Republicans did not like. In fact, health insurance reform mirrors the plan championed by Republican Governor Mitt Romney in Massachusetts and a 1994 proposal by Senate Republicans. The Senate passed its bill with a supermajority of 60 votes. Polls show that majority of Americans approve of this legislation and strongly approve of its various components.
Veteran's (VA) benefits will be cut.	Nothing in health insurance reform will hurt or change veterans' health benefits, which has seen historic increases under this Congress and continues to improve.
Health insurance reform will lead to a shortage of doctors.	Health reform expands the number of trained doctors in our country through new scholarships, loans and loan repayment assistance to help recruit new doctors and nurses, especially primary care providers. It also raises pay for primary care physicians to encourage them to stay in the field.
The IRS will hire up to 18,000 new staff to audit people to check their health insurance status.	The claim about "18,000" new IRS agents was the invention of Republican congressional staff trying to scare people. The IRS commissioner recently testified the agency will not audit individuals to verify their compliance, and insurance companies will merely certify to the IRS that an individual has coverage. The major role for the IRS will be to educate, notify and help people and businesses apply for new subsidies and tax incentives.