

OBAMACARE FACTS 2010:

PROMISES VS. REALITY

Promise: If you like your health insurance, you can keep it.

Reality (1): The law makes it difficult for employers to continue insuring employees. In April of this year, Government Actuaries reported that about 14 million people now covered through their jobs will lose their insurance and be forced out into the new exchanges. This projection comes from the Center for Medicare and Medicaid Services (CMS) – an agency that by law must produce non-political reports independent of administration policies.

Reality (2): The same report says that 15 percent of seniors who have chosen Medicare Advantage will be forced out of the program because of Medicare cuts.

Reality (3): A number of large companies that cover health insurance for retirees have announced that because Obamacare removes a tax break for prescription coverage they may not be able to continue providing it.

Reality (4): Those with Health Savings Accounts (HSA) will be limited as to the types of health products covered. And the tax penalty for withdrawing HSA funds to cover non-medical expenses is doubled, to 20 percent.

Reality (5): All high-deductible health plans, including Health Savings Accounts and others, may not be viable. The Secretary of the Department of Health and Human Services has to clarify the meaning of an obscure provision in the law, and if the department decides on one interpretation all of these plans will disappear.

Promise: The law will cut the cost of health insurance premiums by \$2,500 per family.

Reality: Early on, The Heritage Foundation predicted that cost of health insurance premiums would go up, not down, even

faster than they have been rising already. The Government Actuary confirms Heritage's prediction.

Another report, by the Republican Joint Economic Committee, points out that a \$14.3 billion per year tax on health insurance takes effect in 2014. This tax will raise the price tag of premiums for private coverage, costing an average family of four with job-based insurance an additional \$1,000 a year.

Promise: Health care reform will cover the uninsured. This promise was the main justification for the massive overhaul of America's health care.

Reality: The Government Actuary reports that 23 million people will remain uninsured under Obamacare. Five million of these are illegal immigrants and the other 18 million are American citizens who would voluntarily decide to pay the penalty rather than buy insurance.

Promise: The law provides immediate protection for children with pre-existing conditions.

Reality: Congress neglected to include immediate protection in the bill. When this oversight was exposed, Secretary of the Department of Health and Human Services (HHS) fired off a warning letter to insurers. "Health insurance is designed to prevent any child from being denied coverage because he or she has a pre-existing condition," she wrote. Under this pressure, the insurance industry promised to "fully comply" with the HHS regulations on this matter, once they are written.



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