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OBAMACARE: WHEN "HOPE & CHANGE" DIED



RESEARCH DEPARTMENT

NOVEMBER 1, 2012

OBAMACARE HAS FAILED TO DELIVER LOWER HEALTH CARE PREMIUMS AS PROMISED

As A Candidate, Obama Promised That His Health Care Reform Would Save American Families \$2,500 By The End Of His First Term. OBAMA: “If you are ready for change, then we can stop talking about the outrage of 47 million people without health insurance and start doing something about it. I’ve put forward a plan that says everybody will have the same health care if they want it that I have as a member of Congress, that you can’t be excluded for pre-existing conditions, we’ll negotiate with the drug companies for the cheapest available prices. If you’re 25 or younger you can stay on your parents’ health insurance. If you’ve got health insurance, we’re going to work with you to lower your premiums by \$2500 per family per year. And we will not wait 20 years from now to do it or 10 years from now to do it. We will do it by the end of my first term as president of the United States of America.” (Senator Barack Obama, [Remarks At Campaign Event](#), Columbus, OH, 2/27/08)

Premiums Continue To Rise, Breaking Obama’s Premiums Promise

Under ObamaCare, Family Health Care Premiums Will Increase \$2,404 Annually. (Douglas W. Elmendorf, CBO Director, [Letter To Senator Evan Bayh](#), 11/30/09; “Updated Estimates For The Insurance Coverage Provisions Of The Affordable Care Act Updated For The Recent Supreme Court Decision,” [Congressional Budget Office](#), 7/24/12)

- **The CBO Estimates That Premiums “Will Be 2 Percent Higher Than Those Estimated In March 2012.”** “The additional enrollees are likely to spend more on health care, on average, than those previously expected to purchase insurance through the exchanges because people with lower income generally have somewhat poorer health. As a result, CBO and JCT now estimate that the premiums for health insurance offered through the exchanges, along with premiums in the individual market, will be 2 percent higher than those estimated in March 2012.” (“Updated Estimates For The Insurance Coverage Provisions Of The Affordable Care Act Updated For The Recent Supreme Court Decision,” [Congressional Budget Office](#), 7/24/12)

FactCheck.org: ObamaCare “Falls Short Of Making Health Care ‘Affordable And Available To Every Single American,’ As Promised.” “Furthermore, the law falls short of making health care ‘affordable and available to every single American,’ as promised. The law provides subsidies to help some Americans buy insurance, expands Medicaid and doesn’t allow insurance companies to exclude persons with preexisting conditions. But still, the director of the nonpartisan Congressional Budget Office projected 23 million persons will remain uninsured — some because they can’t afford coverage.” (D’Angelo Gore, “Promises, Promises,” [FactCheck.org](#), 1/4/12)

- **FactCheck.org: ObamaCare Is Actually Making Health Care “Less Affordable.”** “At the moment, the new law is making health care slightly less affordable. Independent health care experts say the law has caused some insurance premiums to rise. As we wrote in October, the new law has caused about a 1 percent to 3 percent increase in health insurance premiums for employer-sponsored family plans because of requirements for increased benefits. Last year’s premium increases cast even more doubt on another promise the president has made — that the health care law would ‘lower premiums by up to \$2,500 for a typical family per year.’” (D’Angelo Gore, “Promises, Promises,” [FactCheck.org](#), 1/4/12)
- **The Washington Post’s The Fact Checker:** “Moreover, at this point it is debatable whether the law has made health care more affordable. Insurance premiums have gone up, in part because of new benefits mandated by the law.” (Glenn Kessler, “The Fine Print In Obama’s ‘Promises Kept’ Ad,” *The Washington Post’s The Fact Checker*, 1/6/12)
- **The Washington Post’s The Fact Checker: “Bad News ... Premiums Almost Certainly Will Go Up.”** “But the bad news is that, on average, premiums almost certainly will go up — with some

people really getting hit with increases.” (Glenn Kessler, “President Obama’s Claim That Insurance Premiums ‘Will Go Down,’” *The Washington Post*’s [The Fact Checker](#), 8/10/12)

- ***The Washington Post’s The Fact Checker: Young Adults Will “Have Sticker Shock When They See What Happens To Their Premiums Starting In 2014.”*** “The law’s provisions, especially the requirement for essential benefits, will almost certainly increase premiums, though tax subsidies will help mitigate the impact for a little over half of the people in the exchanges. But a lot of other people — such as a young male who currently has a plan that does not include all of the required benefits — are likely going to have sticker shock when they see what happens to their premiums starting in 2014.” (Glenn Kessler, “President Obama’s Claim That Insurance Premiums ‘Will Go Down,’” *The Washington Post*’s [The Fact Checker](#), 8/10/12)

Under Obama, The Average Cost Of Family Health Care Premiums Has Increased By \$3,065 From \$12,680 To \$15,745, A 24.2 Percent Increase. (“Employer Health Benefits, 2012 Annual Survey, Exhibit 6.4” [The Kaiser Family Foundation](#), 2012)

- **“The Average Annual Premiums In 2012 Are \$5,615 For Single Coverage And \$15,745 For Family Coverage.”** (“Employer Health Benefits, 2012 Annual Survey,” [The Kaiser Family Foundation](#), 9/11/12)
- **“Average Premiums Increased 3% For Single Coverage And 4% For Family Coverage In The Last Year.”** (“Employer Health Benefits; 2012 Annual Survey,” [The Kaiser Family Foundation](#), 9/11/12)

Americans Aren’t “Better Off” As The 4 Percent Increase In Health Care Premiums Has Outpaced “The Rise In Wages.” “Slower growth in health insurance premiums doesn’t mean workers are better off, however. The 4 percent increase in the cost of job-based health benefits is still higher than the rise in wages, which went up 1.7 percent, or inflation, which was 2.3 percent, the Kaiser Family Foundation, the Health Research and Educational Trust and the journal *Health Affairs* noted in a press release.” (Jeffrey Young, “Health Care Costs For Workers Almost Doubled Since 2002, New Survey Finds,” [The Huffington Post](#), 9/11/12)

- **“The Rise In Premiums Easily Outpaced Workers’ Raises And Inflation.”** (Ricardo Alonso-Zaldivar, “Premiums For Family Health Plans Hit \$15,745,” [The Associated Press](#), 9/11/12)
- **Under Obama, Families Pay An Average Of \$255 More On Monthly Health Care Premiums.** (“Employer Health Benefits; 2012 Annual Survey,” [The Kaiser Family Foundation](#), 9/11/12; “Employer Health Benefits; 2008 Annual Survey,” [The Kaiser Family Foundation](#), 9/24/08)
- **Under Obama, Americans Pay An Average Of \$76 More On Monthly Health Care Premiums.** (“Employer Health Benefits; 2012 Annual Survey,” [The Kaiser Family Foundation](#), 9/11/12; “Employer Health Benefits; 2008 Annual Survey,” [The Kaiser Family Foundation](#), 9/24/08)

Spending On Health Care Coverage For Workers “Jumped” Over 4 Percent Or \$672 More Than In 2011. “The average cost for a family plan obtained through an employer jumped this year to \$15,745 from \$15,073 in 2011, when premiums rose 9.5 percent, the Menlo Park, California-based research group said today after surveying more than 2,000 companies.” (Alex Wayne and Alex Nussbaum, “Health Premium Growth Slows To 4.5% In U.S., Kaiser Says,” [Bloomberg](#), 9/11/12)

Higher Health Care Costs This Year “Took A Bigger Bite From The Income Of Middle-Class Employees.” “But the study’s authors, at the nonpartisan Kaiser Family Foundation and the Health Research and Educational Trust, said higher costs still took a bigger bite from the income of middle-class employees, whose wages advanced only 1.7 percent, as employers shifted more health care costs to their workers.” (David Morgan, “U.S. Employer Health Care Premiums Outpace Inflation, Wages,” [Reuters](#), 9/11/12)

“Hang On To Your Wallets,” ObamaCare Has Failed To Tackle Unaffordable Health Care Costs. “But hang on to your wallets. Premiums averaged \$15,745, with employees paying more than \$4,300 of that, a glaring reminder that the nation’s problem of unaffordable medical care is anything but solved.” (Ricardo Alonso-Zaldivar, “Premiums For Family Health Plans Hit \$15,745,” [The Associated Press](#), 9/11/12)

“Low-Wage Workers Were Hit Hardest” By The Premium Increase “Paying On Average \$1,000 More Each Year Toward Their Premiums For Family Coverage Than Workers At Higher-Wage Firms.” “Low-wage workers were hit hardest, paying on average \$1,000 more each year toward their premiums for family coverage than workers at higher-wage firms. They were also more likely to have high deductibles, according to the survey.” (Julie Appleby, “Health Premiums Rise A Relatively Modest 4 Percent, Study Finds,” [Kaiser Health News](#), 9/11/12)

- **Workers That Make Less Than \$24,000 A Year Pay On Average \$5,000 A Year On Family Health Care Premiums While High Income Earners Pay \$4,000 On Average.** “The report also looked at differences between how much employees are paying for premiums in companies where at least 35 percent of workers earn \$24,000 or less a year, compared to how much employees are paying where at least 35 percent of workers earn \$55,000 a year. Employers typically ask workers to pay some share of the overall premium cost out of their paychecks. Kaiser found that workers at places with more low-wage employees paid on average \$1,000 more in premiums than those working at places employing more higher-earning workers. The low-wage employees paid, on average, nearly \$5,000 for their share of premiums, while higher-earning individuals paid about \$4,000, on average.” (Reed Abelson, “Health Care Premiums Rise Modestly, Report Says,” [The New York Times](#), 9/11/12)

Higher Health Care Costs “Are Difficult To Absorb For Many Businesses And Workers Struggling To Cope With A Sluggish Economy.” “Still, even modest increases in healthcare costs are difficult to absorb for many businesses and workers struggling to cope with a sluggish economy. Health premiums have been on an unrelenting march upward for years, and many employers have shifted more of those costs to workers.” (Chad Terhune, “Employer Health Premiums Increased 4% This Year, Survey Finds,” [Los Angeles Times](#), 9/11/12)

Study Found That “Insurance Premiums Will Surpass The Median U.S. Household Income In 2033. “If current trends continue, health insurance premiums will surpass the median U.S. household income in 2033, a new study says. Using data from the Medical Expenditure Panel Survey and the U.S. Census Bureau, researchers calculated the premiums paid by Americans from 2000 to 2009 and compared them to incomes. They found that insurance premiums rose 8 percent from 2000 to 2009, while household incomes rose only about 2 percent.” (Jenifer Goodwin, “Health Insurance Premiums Will Surpass Median Household Income In 2033: Study,” *US News And World Report’s “Health Day,”* 3/12/12)

- **Families Will Spend Half Of Their Household Income On Insurance Premiums In Just 9 Years.** “If those same rates continue during the next two decades, the average cost of a family health-insurance premium will hit half of median household income by 2021 and surpass it by 2033, the study found. The median household income was \$49,800 in 2009. The study is published in the March/April issue of the *Annals of Family Medicine*.” (Jenifer Goodwin, “Health Insurance Premiums Will Surpass Median Household Income In 2033: Study,” *US News And World Report’s “Health Day,”* 3/12/12)

After ObamaCare, Americans Are Still Struggling To Pay For Health Care

Obama Tried To Sell ObamaCare By Focusing On Those Who Have Trouble Paying Their Medical Bills. OBAMA: “I’m here because of the countless others who have been forced to face the most terrifying challenges in their lives with the added burden of medical bills they can’t pay. I don’t think that’s right.” (President Barack Obama, [Remarks On Health Insurance Reform](#), Strongsville, OH, 3/15/10)

Nearly Two Years After ObamaCare Was Enacted, A Government Study Found That More Americans Are Struggling To Pay Their Medical Bills Due To The High Cost Of Health Care. “While politicians and soon, the Supreme Court, are fighting about the fate of the Affordable Care Act, a new government study finds that a growing number of Americans are having difficulty coping with the high cost of health care.” (Julie Rovner, “1 In 3 Americans Is Having A Hard Time Paying Medical Bills,” [NPR](#), 3/7/12)

- **Centers For Disease Control And Prevention Found “1 In 3 People Lived In A Family That Had Trouble Paying Its Medical Bills.”** “During the first six months of 2011, 1 in 3 people lived in a family that had trouble paying its medical bills within the previous year; was currently paying a medical bill over time; or currently had a medical bill the family was unable to pay at all. That's according to a survey of more than 50,000 people by the National Center for Health Statistics, part of the Centers for Disease Control and Prevention.” (Julie Rovner, “1 In 3 Americans Is Having A Hard Time Paying Medical Bills,” [NPR](#), 3/7/12)

Retirees Will Spend More On Health Care Despite ObamaCare

Couples Retiring This Year Can Expect Their Medical Bills Through Retirement To Cost 4 Percent More Than Those Who Retired A Year Ago. “Couples retiring this year can expect their medical bills throughout retirement to cost 4 percent more than those who retired a year ago, according to an annual projection released Wednesday by Fidelity Investments.” (Mark Jewell, “Retired Couples May Need \$240,000 For Health Care,” [The Associated Press](#), 5/8/12)

- **A Newly Retired Couple Will Need \$240,000 To Cover Health Care Expenses.** “The estimated \$240,000 that a newly retired couple will need to cover health care expenses reflects the typical pattern of projected annual increases. The Boston-based company cut the estimate for the first time last year, citing President Barack Obama's health care overhaul. Medicare changes resulting from that plan are expected to gradually reduce many seniors' out-of-pocket expenses for prescription drugs.” (Mark Jewell, “Retired Couples May Need \$240,000 For Health Care,” [The Associated Press](#), 5/8/12)
- **Annual Increases Have Averaged 6 Percent Since 2002.** “However, this year's 4 percent rise is relatively modest. Annual increases have averaged 6 percent since Fidelity made its initial \$160,000 calculation in 2002.” (Mark Jewell, “Retired Couples May Need \$240,000 For Health Care,” [The Associated Press](#), 5/8/12)

According To Fidelity Investments, “As Long As Health Care Cost Trends Exceed Personal Income Growth And Economic Growth, Health Care Will Still Be A Growing Burden For The Country As A Whole And For Individuals.” “But Fidelity says overall health care cost trends are on the rise again, so it's raising its cost estimate from last year's \$230,000 figure. ‘As long as health care cost trends exceed personal income growth and economic growth, health care will still be a growing burden for the country as a whole and for individuals,’ says Sunit Patel, a senior vice president for benefits consulting at Fidelity, and an actuary who helped calculate the estimate.” (Mark Jewell, “Retired Couples May Need \$240,000 For Health Care,” [The Associated Press](#), 5/8/12)

According To A Survey, 46 Percent Of Older Americans Are “Terrified” That Increasing Health Care Costs Will Wreck Their Retirement Plans. “According to a new survey commissioned by Nationwide Financial and conducted by Harris Interactive, 46 percent of people 55 or older who have assets of at least \$250,000 and plan to retire by 2020 say they are ‘terrified’ that health care costs will foul up their retirement plans and 30 percent of those already retired reported the same anxiety. A smaller proportion of soon-to-be-retired Americans, 18 percent, is ‘fearful’ of bankruptcy because of health care costs as are 6 percent of retired people, according to the survey.” (Jeffrey Young, “Health Care Costs Have Older Wealthier Americans ‘Terrified,’ Survey Says,” [The Huffington Post](#), 5/7/12)

BUSINESSES ARE SEEING THEIR HEALTH CARE COSTS RISE

Obama Promised Employers Would See Cost Savings Under ObamaCare. OBAMA: “Americans who get their insurance through the workplace, cost savings could be as much as \$3,000 less per employer than if we do nothing.” (President Barack Obama, [Remarks At George Mason University](#), Arlington, VA, 3/19/10)

Under Obama, Employer-Sponsored Health Care Premiums Have “Skyrocketed.” Nationwide, the cost of health care has skyrocketed. Premiums for employees rose 3.8 percent at the end of last year, and the cost of insuring a family on an employer-sponsored health care plan is expected to surpass \$20,000 for the first time ever this year.” (“Health Insurance Ruling Won’t Make Coverage Cheaper For Most Americans,” [The Huffington Post](#), 6/28/12)

In What Will Be The “First Time Ever,” The Annual Cost Of Employer Sponsored Health Insurance Will Surpass \$20,000 In 2012, \$1,335 More Than The Previous Year. “Health care costs for a family of four covered by workplace health insurance will exceed \$20,000 for the first time ever this year -- \$20,728 to be precise -- according to a new study released Tuesday. That's \$1,335 more than in 2011. A family of four will pay \$5,114 in premiums for a preferred provider organization plan, a common type of health insurance, along with \$3,470 in out-of-pocket costs like co-payments for doctor visits and prescription drugs, according to the report issued by Milliman, a firm that consults with companies on employee benefits.” (Jeffrey Young, “Health Care Costs To Exceed A Record \$20,000 Per Year For Families With Insurance, Study Says,” [The Huffington Post](#), 5/15/12)

Large Employer-Sponsored Health Care Plan Premiums Are Expected To Increase 5.5 Percent Due To “A Growing Trend Toward Plans That Impose Higher Insurance Costs On Workers.” “But premiums for large employer-sponsored health plans could increase by only 5.5 percent as a result of company wellness programs and a growing trend toward plans that impose higher insurance costs on workers, said the report by the professional services firm PricewaterhouseCoopers, or PwC.” (David Morgan, “Health Care Costs To Rise 7.5 Percent In 2013: Report,” [Reuters](#), 5/31/12)

A Survey Conducted By The National Business Group On Health Find That Businesses Foresee Health Care Costs Growing By 7 Percent In 2013. “Businesses expect their healthcare costs to grow by about 7 percent next year — a bigger jump than they've seen in the past three years — according to a new survey. The National Business Group on Health, which conducted the survey, did not directly attribute the expected jump to President Obama's healthcare law, though it noted that employers are changing their health plans to comply with the new law.” (Sam Baker, “Businesses Predict 7 Percent Jump In Health Care Costs,” [The Hill's Health Watch](#), 8/6/12)

Mercer Survey Found That Almost Two-Thirds Of Employers Expect To See Higher Health Care Costs As ObamaCare Is Implemented In 2014. “Nearly two-thirds of employers expect to see a cost hike in their health plans when the Affordable Care Act goes into effect in 2014, and a quarter say they will have to make changes to their coverage to avoid penalties, according to the survey by the Mercer consulting firm.” (Kathryn Smith, “Businesses Brace For Health Care Cost Increase, Report Says,” [Politico](#), 8/8/12)

- **46 Percent Of Companies In The Retail And Hospitality Sectors Expect To Be Hit With “The Biggest Increase In Costs” Expected To Be “A Minimum Of 3 Percent.”** “Retail and hospitality industries, which typically employ larger numbers of part-time workers, are bracing for the biggest increase in costs — 46 percent said they’re expecting costs to increase by a minimum of 3 percent. The health care industry is close behind, with 40 percent expecting that increase in costs.” (Kathryn Smith, “Businesses Brace For Health Care Cost Increase, Report Says,” [Politico](#), 8/8/12)

Nonpartisan Analysts Predict ObamaCare Will Push 15 Percent Of Providers “Into The Red.” “Nonpartisan analysts in the government predict the cuts in the health care law alone are enough to push about 15 percent of hospitals, nursing homes and home health agencies into the red.” (“Advocates, Industry Fear Debt Deal Could Open The Way For Big Cuts To Medicare And Medicaid,” [The Associated Press](#), 8/2/11)

A Survey Found That 43 Percent Of Health Care Organizations Expect Costs To Rise “Significantly” Because Of ObamaCare. “Professionals at health care organizations across the country expect costs to rise with health care reform but those costs will be tempered by increased access to care and organizational efficiencies. Seventy-five percent of respondents to the Health Care Reform Readiness

Survey said they believe health care costs will increase due to health care reform; 43 percent said they expect the increase to be significant.” (Stephanie Bouchard, “Health Care Professionals Expect Costs To Rise With Health Care Reform,” [Health Care Finance News](#), 8/11/11)

“Small Business Employers Have Been Among The Hardest-Hit By Double-Digit” Premium Increases. “Small-business employers have been among the hardest-hit by double-digit premium increases, which health insurers blame in part on the cost of complying with new coverage mandates in the law, like allowing children to stay on a parent's plan until their 26th birthday.” (Janet Adamy, “Health Benefits Appear On Rise,” [The Wall Street Journal](#), 11/2/10)

As Businesses Face Higher Costs, Employees Will Pay More

As Health Care Costs Rise, Employers Will Be Forced To Pass On The Higher Costs To Their Employees. “First, consumers are expected to remain sensitive to rising health costs, particularly given continued low projected income growth. In this environment, consumers are likely to continue to be judicious in their use of health care services. Second, employers are expected to continue to focus on controlling costs through tighter management of care within health plans, narrow network availability, or higher cost sharing.” (Sean P. Keehan, Gigi A. Cuckler, Andrea M. Sisko, Andrew J. Madison, Sheila D. Smith, Joseph M. Lizowitz, John A. Poisal and Christian J. Wolfe, “National Health Expenditure Projections: Modest Annual Growth Until Coverage Expands And Economic Growth Accelerates,” *Health Affairs*, no. (2012))

Towers Watson Survey: Health Care Costs Will Continue To Rise In 2012. “Average health care costs will continue to rise in 2012.” (“Performance In An Era Of Uncertainty,” [Towers Watson](#), 2012)

- **The Health Care Costs Of Employees And Companies Combined Increased 5.9 Percent.** “The average amount employees paid for health insurance through work rose 9.3 percent to \$2,764 in 2012, a 40 percent increase from 2007, according to a survey released today by the consulting firm Towers Watson and the trade organization National Business Group on Health. The average annual cost for employees and companies combined increased 5.9 percent to \$11,664.” (Jeffrey Young, “Health Insurance Costs More, Covers Less, Survey Says,” [The Huffington Post](#), 3/8/12)

To Deal With ObamaCare, Employers Have Had To Make Changes To The Health Care Coverage Offered To Employees. “As medical expenses rise and the pieces of President Barack Obama's health reform law take effect, companies are tuning employee health insurance plans to save money.” (Jeffrey Young, “Health Insurance Costs More, Covers Less, Survey Says,” [The Huffington Post](#), 3/8/12)

- **Employers Are Handing Over Higher Health Care Costs To Employees By Offering High-Deductible Health Care Plans, Charging More For Dependents And Limiting Health Care Access And Choices.** “Already, employers are shifting more health care costs to workers by redesigning plans. Health insurance with deductibles of \$1,000 or more is becoming more common. The new survey says more firms also are charging extra for workers' spouses and children, restricting access to the most expensive prescription drugs, and offering choices from fewer insurance companies.” (Jeffrey Young, “Health Insurance Costs More, Covers Less, Survey Says,” [The Huffington Post](#), 3/8/12)

Under A “Mountain Of New Mandates,” Many Companies Are “Considering Changes To Their Plans – Including Pushing Costs To Workers.” “Big employers faced with incorporating the first round of health-care changes next month are grappling with how to comply with the long list of new rules. Many companies are hiring consultants to help sort through the mountain of new mandates, which include extending dependent coverage to children up to age 26, and may eventually result in covering more employees. Some are also considering changes to their plans—including pushing costs to workers.” (Dana Mattioli, “Firms Feel Pain From Health Law,” [The Wall Street Journal](#), 12/13/10)

As Americans Worry About Rising Health Care Costs, Employers Will Be Forced To Pass On The Higher Costs To Their Employees. “First, consumers are expected to remain sensitive to rising health

costs, particularly given continued low projected income growth. In this environment, consumers are likely to continue to be judicious in their use of health care services. Second, employers are expected to continue to focus on controlling costs through tighter management of care within health plans, narrow network availability, or higher cost sharing.” (Sean P. Keehan, Gigi A. Cuckler, Andrea M. Sisko, Andrew J. Madison, Sheila D. Smith, Joseph M. Lizonitz, John A. Poisal and Christian J. Wolfe, “National Health Expenditure Projections: Modest Annual Growth Until Coverage Expands And Economic Growth Accelerates,” *Health Affairs*, no. (2012))

- **A Majority Of Employers Surveyed By PwC Are Considering Shifting Higher Health Care Costs Onto Their Employees.** “More than half of the 1,400 employers surveyed by the firm are considering increasing their employees' share of health benefit costs and expanding health and wellness programs in 2013, according to the report.” (David Morgan, “Health Care Costs To Rise 7.5 Percent In 2013: Report,” [Reuters](#), 5/31/12)
- **“Sixty Percent Of Employers” Plan To Pass The Extra Costs To Employees” According To A Survey Conducted By The National Business Group On Health.** “Sixty percent of employers said they plan to shift more healthcare costs to employees, but most said their workers' costs would rise by less than 5 percent next year.” (Sam Baker, “Businesses Predict 7 Percent Jump In Health Care Costs,” *The Hill's Health Watch*, 8/6/12)

To Counter The Rising Health Care Costs, Employers Are “Raising Deductibles, Increasing Paycheck Contributions, And Moving Employees To Lower-Cost Health Plans.” “Employers surveyed by Mercer say they have been trying to contain health care costs by raising deductibles, increasing paycheck contributions, and moving employees to lower-cost health plans.” (Deborah Brunswick, “Health Insurance Costs To Rise Again Next Year,” [CNNMoney](#), 9/22/11)

One-Third Of Survey Respondents Plan To Raise Deductible And Co-Pays Next Year. “About one-third of survey respondents said they plan to raise deductibles or co-payments next year, Mercer said.” (Deborah Brunswick, “Health Insurance Costs To Rise Again Next Year,” [CNNMoney](#), 9/22/11)

“Roughly Two-Thirds Of Employers (66 Percent) Will Increase Employees’ Share-Of-Premium Contributions For Single-Only Coverage For 2012, And 73 Percent Will Increase Them For Employees With Dependent Coverage.” (“Employers Committed To Offering Health Care Benefits Today; Concerned About Viability Of Insurance Exchanges,” [Towers Watson](#), 8/24/11)

In An Effort To Control Health Spending, Employers Are Requiring Patients To Pay A Higher Percentage For Specialty Drugs. “To try to control spending, some employers are requiring patients to pay a percentage of the cost of specialty drugs – from 25 percent to 33 percent or more – rather than a flat dollar co-payment.” (Julie Appleby, “Workers Squeezed As Employers Pass Along High Costs Of Specialty Drugs,” [Kaiser Health News](#), 8/22/11)

“Workers Will Pay More For Their Health Care Next Year As U.S. Companies Prepare For Provisions Of The Overhaul Signed Into Law By President Barack Obama, According To A Survey Released Today.” (Jeffrey Young, “Paychecks To Shrink Because Of Higher Health Premiums,” [Bloomberg](#), 8/18/10)

MILLIONS OF AMERICANS WILL LOSE THEIR HEALTH CARE COVERAGE

Obama Promised That Those Who Like Their Health Care Plan, Can Keep Their Plan

Obama Promised Americans That You Can “Keep Your Plan.” OBAMA: “If you like your doctor, you're going to be able to keep your doctor. If you like your plan, keep your plan.” (President Barack Obama, [Remarks At George Mason University](#), Fairfax, VA, 3/19/10)

Americans Are Finding Out That Obama’s “Keep Your Plan” Promise Is Just Not True. “President Barack Obama promised over and over during the health care debate that ‘if you like your health care plan, you can keep your health care plan.’ It turns out that, for a lot of people, that isn’t true.” (David Nather, “4 Hard Truths Of Health Care Reform,” [Politico](#), 3/16/12)

ObamaCare Doesn't Have Any Assurances That If You Are Happy With Your Plan, You Can Keep It - Employers Are Still Able To Modify Their Health Coverage Options Or Drop Coverage Altogether.

"Nothing in the law ensures that people happy with their policies now can keep them. Employers will continue to have the right to modify coverage or even drop it, and some are expected to do so as more insurance alternatives become available to the population under the law. Nor is there any guarantee that coverage will become cheaper, despite the subsidies that many people will get." (Ricardo Alonso-Zaldivar, "FACT CHECK: On Keeping Your Current Health Plan," [The Associated Press](#), 7/2/12)

- **Despite Obama's Promise That You Can Keep Your Plan, ObamaCare "Does Not Guarantee The Status Quo" If You Like Your Plan.** "Obama's soothing words for those who are content with their current coverage have been heard before, rendered with different degrees of accuracy. He's said nothing in the law requires people to change their plans, true enough. But the law does not guarantee the status quo for anyone, either." (Ricardo Alonso-Zaldivar, "FACT CHECK: On Keeping Your Current Health Plan," [The Associated Press](#), 7/2/12)

More Americans Will Lose Their Employer Health Care Coverage Than Before ObamaCare Was Enacted. "For one thing, CBO says 11 million Americans won't get employment-based health insurance they would have had before the law — so they will be forced out (technically by their employer, not by the president, but the context will be the changes brought about by the health law). Another 9 million would gain coverage — but everyone who loses it will see their lives disrupted, and it will be used as more evidence of broken Obama promises." (David Nather, "4 Hard Truths Of Health Care Reform," [Politico](#), 3/16/12)

Union Leader: "President Obama Is Still Peddling The Deception That Everyone Can Keep Their Current Health Insurance Under The New Health Care Law." "President Obama is still peddling the deception that everyone can keep their current health insurance under the new healthcare law. There's nothing in the bill that says you have to change the health insurance you've got right now," he said in Iowa last week. Not true." (Editorial, "The ObamaCare Myth: Keeping Your Coverage," [Union Leader](#), 10/3/10)

- **Union Leader: ObamaCare's Mandates Will Result In Millions Of Americans Losing Their Health Insurance Or Doctors - Or Both.** "Obama pretends that because the law doesn't order you to change insurers, that means you can keep what you've got. That's nonsense and he knows it. The law's mandates will force insurers to make drastic changes, making it inevitable that millions of Americans will lose the coverage or the doctors they have -- or both." (Editorial, "The ObamaCare Myth: Keeping Your Coverage," [Union Leader](#), 10/3/10)

Employees Will Be Forced Out Of Their Current Insurance Plans. "Moderating this growth in private health insurance, some large employers with low-wage employees are expected to discontinue health insurance benefits for their employees and to instead pay the penalty associated with not providing coverage under the Affordable Care Act." (Sean P. Keehan, Gigi A. Cuckler, Andrea M. Sisko, Andrew J. Madison, Sheila D. Smith, Joseph M. Lizonitz, John A. Poisal and Christian J. Wolfe, "National Health Expenditure Projections: Modest Annual Growth Until Coverage Expands And Economic Growth Accelerates," [Health Affairs](#), no. (2012))

Americans Who Rely On Health Coverage From Their Employer Will Lose Access

The Non-Partisan CBO Found That ObamaCare Could Cause As Many As 20 Million Americans To Lose Their Employer-Provided Health Care Plan. "As many as 20 million Americans could lose their employer-provided health care because of President Obama's health care reform law, the nonpartisan Congressional Budget Office said in a new report Thursday." (Julian Pecquet, "CBO: Millions Of Americans Could Lose Their Employer Coverage," [The Hill's Health Watch](#), 3/15/12)

- **Despite A "Tremendous Amount Of Uncertainty" Regarding Employer-Sponsored Health Care, The CBO Still Expects 3 To 5 Million Fewer Americans To Obtain Their Health Care Coverage With ObamaCare.** "The best estimate, subject to a 'tremendous amount of uncertainty,'

is that about 3 million to 5 million fewer people will obtain coverage through their employer each year from 2019 through 2022.” (Julian Pecquet, “CBO: Millions Of Americans Could Lose Their Employer Coverage,” [The Hill's Health Watch](#), 3/15/12)

CBO Director Douglas W. Elmendorf In March 2011: People Receiving Coverage Through Their Employer Will Be Lower Than Had ObamaCare Never Been Enacted. “On balance, the number of people obtaining coverage through their employer will be about 1 million lower in 2019 through 2021 under PPACA and the Reconciliation Act than under prior law, CBO and JCT estimate.” (Douglas W. Elmendorf, “Subcommittee On Health Committee On Energy And Commerce, U.S. House Of Representatives, [Testimony](#), 3/30/11)

- **CBO Director Douglas W. Elmendorf:** “About 6 million to 7 million people who would have had an offer of employment based coverage under prior law will not have an offer under current law. That estimate represents about 4 percent of the roughly 160 million people projected to have employment-based coverage.” (Douglas W. Elmendorf, “Subcommittee On Health Committee On Energy And Commerce, U.S. House Of Representatives, [Testimony](#), 3/30/11)
- **Grace Marie-Turner, President Of The Galen Institute: “ObamaCare Will Lead To A Dramatic Decline In Employer-Provided Health Insurance—With As Many As 78 Million Americans Forced To Find Other Sources Of Coverage.”** (Grace Marie-Turner, Op-Ed, “No, You Can't Keep Your Health Insurance,” [The Wall Street Journal](#), 6/8/11)

As ObamaCare Is Implemented, Many Employers Will Stop Offering Coverage

A Deloitte Survey Found That Nearly 10 Percent Of Employers Will Drop Their Employer-Sponsored Health Care Coverage. “Around one in 10 employers in the U.S. plans to drop health coverage for workers in the next few years as the bulk of the federal health-care law begins, and more indicated they may do so over time, according to a study to be released Tuesday by consulting company Deloitte.” (Louise Radnofsky, “Deloitte: One In 10 U.S. Employers To Drop Health Coverage,” [The Wall Street Journal](#), 7/24/12)

“Some Health-Care Benefits Managers ... See A Future In Which Employers No Longer Provide Coverage Because The Cost Of Dropping Health Insurance For Employees, About \$2,000 Per Person In Federal Penalties To Employers, Is Far Less Than The Current Cost Of Providing Family Coverage, About \$12,000 Per Employee.” (Chris Mondics, “Employers Looking For Health-Care Answers,” [The Philadelphia Inquirer](#), 4/27/10)

- **Large Employers Will Drop Coverage, Dump Employees Onto Exchange Plans Without The Same “Generous Benefits.”** “Some health-care benefits managers... see a future in which employers no longer provide coverage because the cost of dropping health insurance for employees, about \$2,000 per person in federal penalties to employers, is far less than the current cost of providing family coverage, about \$12,000 per employee... [L]arge employers... are skeptical that coverage offered through the new insurance exchanges envisioned by the Obama plan will improve on what they are doing. Some of these employers are rightly proud of their plans because of their generous benefits... [b]ut since the government would pick up much of the cost for low-income workers were they to go to the public exchanges, the incentives for retaining a company plan might erode. Indeed, she said, shareholders might reasonably ask why a company continued to offer such a plan when it could easily cut costs by sending employees to an exchange.” (Chris Mondics, “Employers Looking For Health-Care Answers,” [The Philadelphia Inquirer](#), 4/27/10)

Only 30 Percent Of Employers Will Be Able To Maintain Grandfathered Status While Other Employers Have Had To Make Changes To Their Health Care Plans. “Survey respondents indicate that into the second year of Health Care Reform implementation, less than 30% of employers were able to maintain grandfathered status of their health care plans. This rapid loss of grandfathered status far outpaces The Department of Health & Human Services’ expectations. The Preamble to the June 2010

Regulations speculated that by the end of 2011, 78% of employers would retain grandfathered status, by the end of 2012, 62 % would still be grandfathered, and by the end of 2013, 49% would retain grandfathered status. The accelerated loss of grandfathered status suggests that employers have had to make many plan changes to offset cost increases, and perhaps employers have been more willing to give up grandfathered status in order to take other steps to control costs.” (“The Health Care Reform Survey,” [The Willis Group](#), 2/12)

Small Employers Will “Significantly Change Benefit Packages.” “Twenty (20) percent of small employers currently offering [health insurance] expect to significantly change their benefit package and/or their employee’s premium cost-share the next time they renew their health insurance plans. Almost all significant changes expected involve a decrease in benefits, an increase in employee cost-share, or both.” (“Small Business And Health Insurance: One Year After Enactment Of PPACA,” [NFIB](#), 7/11)

Former Gov. Phil Bredesen (D-TN): “Because Of The Magnitude Of The New Subsidies Created By Congress, The Economics Become Compelling For Many Employers To Simply Drop Coverage And Help Their Employees Obtain Replacement Coverage Through An Exchange.” (Philip Bredesen, Op-Ed, “ObamaCare’s Incentive To Drop Insurance,” [The Wall Street Journal](#), 10/21/10)

Mike Brewer, President Of Lockton Benefit Group: “Some Employers Will Eliminate Group Health Coverage And Full-Time Jobs In 2014 Because Of The Law.” (“Employers Wary Of Health Reform Costs And Hassles,” [Lockton Benefit Group](#), 4/5/11)

Small Businesses To Stop Offering Health Coverage When ObamaCare’s Exchanges Are Implemented

Mercer Survey: Nine Percent Of Employers Are “Likely” To Drop Coverage Once Exchanges Begin Offering Coverage. “Nine percent of employers with 500 or more workers say they are likely to cancel health benefits in 2014 after state-run health insurance exchanges begin offering coverage under the health care law.” (John Reichard, “Mercer Says 9 Percent Of Big Employers Likely To Drop Coverage In 2014,” *Congressional Quarterly*, 11/17/11)

Small Businesses Consider Dropping Coverage Due To Health Exchanges. “[T]he NFIB finds that 26% of small businesses today sponsoring insurance are ‘very likely’ to drop it should their employees start to flood government coverage. Another 31% of the 750 firms surveyed report they are ‘somewhat likely.’” (Editorial, “The Flight To The Exchanges,” [The Wall Street Journal](#), 07/25/11)

People Joining Exchanges Will Destabilize The Insurance Market. “About two of five small companies sponsor insurance—a share that, according to NFIB, has on net held mostly stable or declined very slightly since the passage of the Affordable Care Act. Yet 12% of these companies—one of eight—have either had their plans cancelled or have been told that they will be in the future. This churn in the private small-group market is a direct result of ObamaCare’s new rules and mandates—but a far larger destabilization could be in the offing, what Mr. Dennis calls ‘the flight to the exchanges.’” (Editorial, “The Flight To The Exchanges,” [The Wall Street Journal](#), 7/27/11)

SENIORS WILL FARE WORSE UNDER OBAMACARE

Obama Promised That Medicare Benefits Would Not Change

Obama Promised Seniors That Their Medicare “Benefits Won’t Change.” OBAMA: “First and foremost, what you need to know is that the guaranteed Medicare benefits that you’ve earned will not change, regardless of whether you receive them through Medicare or Medicare Advantage. Your guaranteed benefits will not change. Eligibility won’t change. Medicare will continue to cover your costs the way it always has.” (President Barack Obama, [Remarks At A Tele-Town Hall With Seniors](#), Wheaton, MD, 6/8/10)

- **Factcheck.org: White House Ad Promising That Medicare Advantage “Benefits Will Remain The Same” Is False.** “Currently, about 1 in every 4 Medicare beneficiary is enrolled in a Medicare Advantage plan. For many of them, the words in this ad ring hollow, and the promise that ‘benefits will remain the same’ is just as fictional as the town of Mayberry was when Griffith played the local sheriff.” (Brooks Jackson, “Mayberry Misleads On Medicare,” [FactCheck.org](#), 7/31/10)

ObamaCare Cuts Medicare Funding Without Securing Its Solvency For The Long Term

The Nonpartisan Congressional Budget Office: ObamaCare Cuts \$716 Billion From Medicare.

(Congressional Budget Office, [Letter To Speaker John Boehner](#), 7/24/12)

- **ObamaCare Cut Medicare By 6 Percent.** “If the debt committee hits a dead end, the agreement between President Barack Obama and congressional leaders decrees an automatic 2 percent cut to Medicare providers. That’s on top of a 6 percent cut already enacted to finance the president’s health care law, according to the nonpartisan Kaiser Family Foundation. And the earlier cut is still being phased in.” (Ricardo Alonso-Zaldivar, “Debt Ceiling Deal Paves Way For Medicare, Medicaid Budget Fight,” [The Associated Press](#), 8/2/11)
- **Obama Deputy Campaign Manager Stephanie Cutter Bragged About ObamaCare’s Cuts To Medicare.** CUTTER: “Well, you know ask the wealthy to pay a little bit more. Cut waste from the government. Reform Medicare. More than \$300 billion in savings from Medicare. On top of the savings we’ve already achieved. You know I heard Mitt Romney deride the \$700 billion cuts in Medicare that the president achieved through health care reform.” (CBS’ [“Face The Nation”](#), 8/12/12)

Medicare Actuary Richard Foster Wrote That ObamaCare’s Cuts To Medicare “Will Not Be Viable In The Long Range.” “Further, while the Affordable Care Act makes important changes to the Medicare program and substantially improves its financial outlook, there is a strong likelihood that certain of these changes will not be viable in the long range. Specifically, the annual price updates for most categories of non-physician health services will be adjusted downward each year by the growth in economy-wide productivity. The best available evidence indicates that most health care providers cannot improve their productivity to this degree—or even approach such a level—as a result of the labor-intensive nature of these services.” (“2012 Annual Report Of The Boards Of Trustees Of The Federal Hospital Insurance And Federal Supplementary Medical Insurance Trust Funds,” [Social Security & Medicare Trustees Report](#), 2012)

- **Medicare Will Pay Providers Less Than Medicaid Levels Under ObamaCare, The Congress Will Have To “Intervene To Prevent The Withdrawal Of Providers From The Medicare Market And The Severe Problems With Beneficiary Access To Care Would Result.** “Medicare prices would be considerably below the current relative level of Medicaid prices, which have already led to access problems for Medicaid enrollees, and far below the levels paid by private health insurance. Well before that point, Congress would have to intervene to prevent the withdrawal of providers from the Medicare market and the severe problems with beneficiary access to care that would result.” (“2012 Annual Report Of The Boards Of Trustees Of The Federal Hospital Insurance And Federal Supplementary Medical Insurance Trust Funds,” [Social Security & Medicare Trustees Report](#), 2012)

Obama Cut Medicare To Fund ObamaCare

Obama Told ABC’s Jake Tapper That One-Third Of ObamaCare Is Funded By Cuts to Medicare.

ABC’s JAKE TAPPER: “One of the concerns about health care and how you pay for it -- one third of the funding comes from cuts to Medicare.” BARACK OBAMA: “Right.” TAPPER: “A lot of times, as you know, what happens in Congress is somebody will do something bold and then Congress, close to election season, will undo it.” OBAMA: “Right.” ([ABC News](#), 11/9/09)

Obama Cut Medicare To Fund His New Health Care Entitlement Program, Which Will Leave “Fewer Options Available” When Medicare Crisis Hits. “We did it for a good cause, which was the expansion of coverage,” said [economist and former Medicare trustee John] Palmer. “But down the road, when further steps have to be taken to close the Medicare deficit, then we will have fewer options available because we’ve already done some of the easier things.” (Ricardo Alonso-Zaldivar, “FACT CHECK: Can Overhaul Save Medicare?” [The Associated Press](#), 5/1/10)

- **“[M]ake No Mistake -- Closing Medicare’s Future Funding Gap Will Be Harder Now That Some Of The Easier Sources Of Savings Have Been Tapped To Finance The Health Care Bill.”** (Ricardo Alonso-Zaldivar, “FACT CHECK: Can Overhaul Save Medicare?” [The Associated Press](#), 5/1/10)

Medicare Trustees Report Noted That Medicare Will Be Bankrupt By 2024 – Five Years Earlier Than Expected. “The annual checkup said that the Medicare hospital insurance fund will now be exhausted in 2024, five years earlier than last year’s estimate.” (Stephen Ohlemacher, “Finances look worse for Medicare, Social Security,” [The Associated Press](#), 5/14/11)

- **“If The Trust Funds Run Out, The Programs No Longer Would Be Able To Pay Full Benefits. ... Medicare Could Pay 90% Starting In 2024, Dropping To 75% In 2045.”** (Richard Wolf, “Medicare, Social Security Running Out of Money Faster,” [USA Today](#), 5/13/11)

The Projection That Medicare Will Be Bankrupt By 2024 May Be Too Generous. “The Medicare figures are suspect, because they rely on billions of dollars in savings projected under the health care law signed by President Obama last year.” (Richard Wolf, “Medicare, Social Security Running Out Of Money Faster,” [USA Today](#), 5/13/11)

Seniors’ Access To Care Will Be Jeopardized And Enrollment In Medicare Advantage Plans Will Plummet

Centers For Medicare & Medicaid Services: ObamaCare’s Physician Fee Reductions Are “Clearly Unworkable” And Barring Changes, Payment Rates “Would Become Inadequate In The Long Range.” “The immediate physician fee reductions required under current law are clearly unworkable and are almost certain to be overridden by Congress. The productivity adjustments will affect other Medicare price levels much more gradually, but a strong likelihood exists that, without very substantial and transformational changes in health care practices, payment rates would become inadequate in the long range. As a result, actual Medicare expenditures are likely to exceed the projections shown in the 2012 Trustees Report for current law, possibly by considerable amounts.” (John D. Shatto and M. Kent Clemens, “Projected Medicare Expenditures Under Illustrative Scenarios With Alternative Payment Updates To Medicare Providers,” [CMS](#), 5/18/12)

- **Under ObamaCare, Medicare Pay Rates To Physicians Will Be Cut By “Roughly 31 Percent In 2013.”** “In particular, Medicare payment rates for physician services as determined by the Sustainable Growth Rate (SGR) system are scheduled to be reduced by roughly 31 percent in 2013.” (John D. Shatto and M. Kent Clemens, “Projected Medicare Expenditures Under Illustrative Scenarios With Alternative Payment Updates To Medicare Providers,” [CMS](#), 5/18/12)

Medicare Payment Cuts “Could Jeopardize Medicare Beneficiaries’ Access To Mainstream Medical Care.” “...it is equally hard to imagine cutting only Medicare spending while spending by the commercially insured under age sixty-five continues to grow at historic rates, which would lead to a marked divergence between what providers are paid for treating the commercially insured relative to what they are paid for Medicare beneficiaries. This gap could jeopardize Medicare beneficiaries’ access to mainstream medical care.” (Newhouse, Joseph P. (July 22, 2010) “Assessing Health Reform’s Impact on Four Key Groups of Americans,” *Health Affairs* 29:9, pp. 1-11)

According To The Congressional Budget Office, ObamaCare Specifically Cut \$156 Billion From Medicare Advantage. (Douglas Elmendorf, Letter To Speaker John Boehner, [Congressional Budget Office](#), 7/24/12)

- **Centers For Medicare & Medicaid Services (CMS): “The New Provisions Will Generally Reduce MA (Medicare Advantage) Rebates To Plans And Thereby Result In Less Generous Benefit Packages.”** (Richard S. Foster, “Estimated Financial Effects Of The ‘Patient Protection And Affordable Care Act,’ As Amended,” [CMS](#), 4/22/10)

Obama’s Cuts To Medicare Advantage Will “Trigger An Exodus From The Popular Program.” “In addition to flagging provider cuts as potentially unsustainable, the report projected that reductions in payments to private Medicare Advantage plans would trigger an exodus from the popular program.” (“Report: Health Care Reform Will Increase Costs,” [The Associated Press](#), 4/27/10)

- **Medicare Chief Actuary Richard “[F]oster’s Office Is Projecting That More Than 7 Million Medicare Recipients In Private Medicare Advantage Plans Will Eventually Have To Find Other Coverage. That Would Cut Enrollment In The Popular Plans By About Half.”** (Ricardo Alonso-Zaldivar, “Medicare Official Doubts Health Care Law Savings,” [The Associated Press](#), 1/26/11)
- **CMS: Enrollment In Medicare Advantage Plans Will Be Cut In Half By 2017.** “We estimate that in 2017, when the MA (Medicare Advantage) provisions will be fully phased in, enrollment in MA plans will be lower by about 50 percent (from its projected level of 14.8 million under the prior law to 7.4 million under the new law).” (Richard S. Foster, “Estimated Financial Effects Of The ‘Patient Protection And Affordable Care Act,’ As Amended,” [CMS](#), 4/22/10)

ObamaCare Will Result In As Many As 50 Percent Of Seniors Enrolled In Medicare Advantage To Be Dropped. “The White House is launching its latest Willy Loman campaign to resell ObamaCare, helped by \$125 million that unions and other interest groups say they’ll spend to make Americans love their new entitlement. Seniors in particular should curb their enthusiasm . . . Advantage gives almost one of four seniors private insurance options, and Democrats are about to cut its funding by some \$136 billion over the next decade even as health costs rise. The Congressional Budget Office says these cuts will cause enrollment to drop by 35%, the Administration’s own Medicare actuaries predict 50%, and both outfits take for granted that benefits will also decline.” (Editorial, “Farewell, Medicare Advantage,” [The Wall Street Journal](#), 6/11/10)

As ObamaCare’s Cuts To Medicare Are Realized, Seniors Will Have Pay More For Care

Seniors On Medicare Advantage Plans Will Enjoy “Less Generous Benefits.” “Richard Foster, the actuary for the Centers for Medicare and Medicaid, also tells Senate Republicans that the overhaul will result in ‘less generous benefit packages’ for Medicare Advantage plans next year. Foster is independent from the administration and non-partisan.” (Jennifer Haberkorn, “Medicare: Reform May Cost Seniors,” [Politico](#), 10/13/10)

Cuts To Medicare Advantage Will Result In Higher Premiums And Reductions In Benefits. “The insurance industry, which estimates the payment cuts from the health overhaul will total approximately \$200 billion over a decade, says it can’t absorb those cuts on its own, and must pass them onto customers starting next year. ‘Washington can’t slash \$200 billion out of Medicare Advantage and then try to shift the blame to the health plans that administer the program when those cuts inevitably result in higher premiums and benefit reductions for seniors,’ said Robert Zirkelbach, a spokesman for America’s Health Insurance Plans, the industry’s trade group.” (Janet Adamy, “HHS Warns Medicare Insurers On Rates,” [The Wall Street Journal](#), 6/7/10)

- **Centers For Medicare & Medicaid Services (CMS): Enrollment In Medicare Advantage Plans Will Be Cut In Half.** “We estimate that in 2017, when the MA (Medicare Advantage) provisions will be fully phased in, enrollment in MA plans will be lower by about 50 percent (from its projected level of 14.8 million under the prior law to 7.4 million under the new law).” (Richard S. Foster, “Estimated Financial Effects Of The ‘Patient Protection And Affordable Care Act,’ As Amended,” [CMS](#), 4/22/10)

“Seniors Leaving The Private Plans Would Still Have Health Insurance Under Traditional Medicare, But Many Might Face Higher Out-Of-Pocket Costs.” (“Report: Health Care Reform Will Increase Costs,” [The Associated Press](#), 4/27/10)

“Richard Foster, The Actuary For The Centers For Medicare And Medicaid, Also Tells Senate Republicans That The Overhaul Will Result In ‘Less Generous Benefit Packages’ For Medicare Advantage Plans Next Year.” (Jennifer Haberkorn, “Medicare: Reform May Cost Seniors,” [Politico](#), 10/13/10)

ObamaCare’s Medicare Cuts Will Leave Seniors With “Higher Out-Of-Pocket Costs.” “The report’s most sober assessments concerned Medicare. In addition to flagging provider cuts as potentially unsustainable, the report projected that reductions in payments to private Medicare Advantage plans would trigger an exodus from the popular program. Enrollment would plummet by about 50 percent, as the plans reduce extra benefits that they currently offer. Seniors leaving the private plans would still have health insurance under traditional Medicare, but many might face higher out-of-pocket costs.” (“Report: Health Care Reform Will Increase Costs,” [The Associated Press](#), 4/27/10)

- **“The New Analysis Obtained By *POLITICO* Finds The Health Care Overhaul Will Result In Increased Out-Of-Pocket Costs For Seniors On Medicare Advantage Plans.”** (Jennifer Haberkorn, “Medicare: Reform May Cost Seniors,” [Politico](#), 10/13/10)

ObamaCare’s Medicare Cuts Are Forcing Private Physicians To Turn Away New Patients. “Doctors on the panel also warned that PPACA’s \$500 billion cut to Medicare could translate into even less reimbursement for those who care for patients insured by the government. Already, many physicians are turning away new patients because they’re taking a loss or barely breaking even when working with Medicare.” (J.D. Harrison, “Health Care Law Driving Doctors Away From Small Practices, Toward Hospital Employment,” [The Washington Post](#), 7/19/12)

OBAMA’S INDEPENDENT PAYMENT ADVISORY BOARD (IPAB)

IPAB’s Primary Objective Is To Cut Medicare

ObamaCare Created IPAB “To Cut Medicare.” “That’s the job description for the 15 members of the Independent Payment Advisory Board — the new panel created by President Barack Obama’s health care law to come up with ways to cut Medicare spending if it grows too fast.” (David Nather, “Medicare Cost-Cutting Job Could Be Worst In D.C.,” [Politico](#), 5/14/11)

- **The Nonpartisan Congressional Budget Office Found That IPAB Will Be Required To Recommend Changes To Medicare Spending.** “The legislation also would establish an Independent Payment Advisory Board, which would be required, under certain circumstances, to recommend changes to the Medicare program to limit the rate of growth in that program’s spending.” (Congressional Budget Office, [Letter To Majority Leader Harry Reid](#), 12/19/09)
- **IPAB Will Advocate For Medicare Payment Cuts To Doctors.** “The 15-member board will recommend cuts in Medicare payments to doctors, which will take effect automatically unless Congress votes to block them.” (Sam Baker, “Sebelius: Congress Can Avoid IPAB By Addressing Medicare Costs,” [The Hill’s Health Watch](#), 7/12/11)

If Congress Fails To Act On IPAB’s Recommendations, HHS Is Required To Implement IPAB’s Cuts To Medicare. “If Congress fails to act, the secretary of health and human services is required to implement the cuts.” (Bara Vaida, “The IPAB: The Center Of A Political Clash Over How To Change Medicare,” [Kaiser Health News](#), 3/22/12)

IPAB Will Threaten The Health Care Of Seniors

Obama's HHS Secretary Then Admitted That IPAB Recommendations To Cut Dialysis Payments Would Threaten Seniors' Access To Necessary Treatment. SEBELIUS: "If Congress accepted the recommendations and made the decision that cuts in dialysis were appropriate, I assume there could be some providers who would decide that would not be a service they would any longer deliver..." (Committee On Energy And Commerce, U.S. House Of Representatives, [Hearing](#), 7/13/11)

Witnesses At A Recent Congressional Hearing Argued That IPAB Would Reduce Access To Medical Care. "The Independent Payment Advisory Board, created under the health care law to help control Medicare costs, lacks flexibility to do much more than cut provider payments that would lead to a reduction in access to care, witnesses told a House Ways and Means panel March 6." (Ralph Lindeman, "IPAB Would Reduce Access To Care, Witnesses Tell Ways And Means Panel," [Bloomberg](#), 3/7/12)

- **Dr. David F. Penson On Behalf Of The American Urological Association: IPAB Would "Make Cuts To Providers" That They Will "Limit The Number Of Medicare Beneficiaries They See" Or "Opt Out Of The Medicare Program."** "Dr. David F. Penson, testifying on behalf of the American Urological Association, noted that because PPACA prohibits IPAB from restricting benefits or changing eligibility criteria, 'the board will be left with few options apart from making cuts to providers.' He warned, 'These cuts could be driven so low that physicians will be forced to limit the number of Medicare beneficiaries they see, opt out of the Medicare program, or be driven out of practice altogether.'" (Ralph Lindeman, "IPAB Would Reduce Access to Care, Witnesses Tell Ways and Means Panel," [Bloomberg](#), 3/7/12)

IPAB's "End Game" Will Limit Patient Care. "The only alternative, and the IPAB's true end game, is harsher and more arbitrary price controls and eventually limits on the care patients are allowed to receive. The New England Journalists (of Medicine) deny this reality because ObamaCare has a clause that prohibits 'rationing,' even as the law leaves that term undefined. But reducing treatment options will be inevitable as government costs explode." (Editorial, "Independent Payment Advisory Revolt," [The Wall Street Journal](#), 3/9/12)

- **The Wall Street Journal: IPAB Will Allow Bureaucrats To "Throw Granny Over The Cliff."** "One place to start is by attacking the Democratic plan to cut Medicare via political rationing. Mr. Ryan's budget had the virtue of embarrassing President Obama's spend-more initial budget, and the White House responded by proposing to increase the power of the new Independent Payment Advisory Board (IPAB) to decide what, and how much, Medicare will pay for. The ObamaCare bill goes to great lengths to shelter this 15-member, unelected board from Congressional review, with the goal of letting these bureaucrats throw granny over the cliff if Medicare isn't reformed. Yet few Americans know anything about IPAB or its rationing intentions." (Editorial, "The GOP's New York Spanking," [The Wall Street Journal](#), 5/26/11)

Industry Groups Worry That IPAB's Actions Will Result In "Rationing." "While the board is not supposed to be able to cut benefits, industry groups fear that its actions would result in rationing care. The board ... could cut payments to health care providers." (Duff Wilson, "Industry Aims At Medicare Board," *The New York Times* [Prescription](#), 11/4/10)

- **Health Care Leadership Council: IPAB "Will Only Worsen This Health Care Access Problem."** (Committee On Energy And Commerce, U.S. House Of Representatives, [Hearing](#), 7/13/11)
- **American College Of Cardiology: IPAB "Will Be Harmful To Patient Care."** (Committee On Energy And Commerce, U.S. House Of Representatives, [Hearing](#), 7/13/11)
- **Women Against Prostate Cancer: "Negative Impact On Patient Access To Quality Care."** (Committee On Energy And Commerce, U.S. House Of Representatives, [Hearing](#), 7/13/11)

- **Alliance Of Specialty Medicine: IPAB “Severely Threatening Medicare Beneficiary Access To Innovative Therapies And Specialty Care.”** (Committee On Energy And Commerce, U.S. House Of Representatives, [Hearing](#), 7/13/11)

Galen Institute President Says Democrat Support Of Repealing IPAB “Is One Of Many Ways That ObamaCare Over-Reached On Its Powers.” “[G]alen President Grace-Marie Turner says ‘The fact that Democrats also support repeal of IPAB shows that this is one of the many ways that the health law over-reached by abrogating its powers and authority to this unelected board of experts.’ Turner will testify today, where she’ll continue to argue ‘the Constitution gives the power of the purse to Congress so that elected representatives can be accountable to the voters for their decisions. The IPAB would turn this principle upside down.’” (Kate Nocera, “Pulse,” [Politico](#), 7/12/11)

Paul Howard And Douglas Holtz-Eakin: IPAB Is “Fatally Flawed,” Spurns Innovation, And Will “Threaten Seniors’ Access To Care.” “IPAB is fatally flawed, structured to punish innovative health care providers and threaten seniors’ access to care — while leaving the largest sources of Medicare spending untouched. It continues Washington’s obsession with price-fixing in Medicare’s separate ‘silos’ rather than changing the incentives that have led to rampant overspending, fraud and uneven care quality.” (Paul Howard And Douglas Holtz-Eakin, Op-Ed, “Repeal And Replace IPAB,” [Politico](#), 7/12/11)

Obama Has Repeatedly Called For Strengthening IPAB That Would Cut Nearly \$250 Billion More From Medicare

Obama Has Continually Pushed For Strengthening IPAB And An Additional \$248 Billion Cut From Medicare. “The plan calls for strengthening a controversial piece of the health care reform law, and it includes proposals state governments have strongly opposed. It also would require seniors to pay more for certain Medicare benefits, according to a summary of the proposal, which would cut \$248 billion in Medicare funding and \$73 billion to Medicaid and other health programs.” (Sam Baker, “Obama Health Cuts To Spark Fights With States, GOP, Industry Groups,” [The Hill’s Health Watch](#), 9/19/11)

- **IPAB Will “Kick In” Earlier According To Obama’s Deficit Reduction Plan.** “The plan proposes strengthening the Independent Payment Advisory Board (IPAB) — a cost-cutting panel created by health care reform that Republicans have said will ‘ration’ care. Obama’s proposal would allow the IPAB to kick in earlier.” (Sam Baker, “Obama Health Cuts To Spark Fights With States, GOP, Industry Groups,” [The Hill’s Health Watch](#), 9/19/11)

Obama’s 2013 Budget: “Strengthen the Independent Payment Advisory Board (IPAB) to Reduce Long-Term Drivers of Medicare Cost Growth.” (“Fiscal Year 2013 Budget Of The U.S. Government,” [OMB](#), 2/13/12)

- **Obama’s Budget Lowers The Threshold For IPAB To Make Payment Changes To Medicare And Provides IPAB With “Additional Tools” To Control Spending.** “To further moderate the rate of Medicare growth, this proposal would lower the target rate from the GDP per capita growth rate plus 1 percent to plus 0.5 percent. Additionally, the proposal would give IPAB additional tools like the ability to consider value-based benefit design.” (“Fiscal Year 2013 Budget Of The U.S. Government,” [OMB](#), 2/13/12)

Both Political Parties Agree That IPAB Is A Mistake

The Tampa Tribune: “There Is Bipartisan Consensus ... That IPAB Is A Mistake.” “There is bipartisan consensus on Capitol Hill that IPAB is a mistake. Physicians groups don’t like it, hospital lobbies don’t like it, and even the American Medical Association, whose support helped pass ObamaCare into law, has called for its repeal. Some Democrats, including U.S. Rep. Kathy Castor of Tampa, have signed on to Tennessee Republican U.S. Rep. Phil Roe’s repeal bill.” (Editorial, “Return Control To The Patient,” [The Tampa Tribune](#), 10/15/11)

Obama's Own Legal Services Corporation Nominee, Julie Reiskin Wrote That IPAB Will "Ration Care" And "Increase Consumer Cost Sharing." "While IPAB's authority is restricted, it can reduce Medicare's reimbursement rates for medical service providers. This is sure to ration care or increase consumer cost sharing, since if the item cannot be paid for under Medicare consumers will have no choice but to purchase it or go without." (Julie Reiskin, Op-Ed, "The Wrong Way To Fix Medicare Spending," [Denver Post](#), 5/5/11)

Seven Democrats Joined Republicans To Repeal IPAB In The U.S. House. (H.R. 5, Roll Call Vote #126: Passed 223-182: R 216-10; D 7-171, 3/22/12)

Twenty Democrats Have Co-Sponsored Legislation To Repeal IPAB. (H.R. 452, Introduced 1/26/11)

- **Both Democrats And Republicans Agree That IPAB "Could Arbitrarily Cut Services To Medicare Patients And Payments To Providers."** "But some Democrats, as well as most Republicans and health care providers argue the panel could arbitrarily cut services to Medicare patients and payments to providers with little congressional oversight." (Jennifer Haberkorn, "Democrats Split On Independent Payment Advisory Board," [Politico](#), 7/10/11)

Both The House Ways And Means And The House Energy And Commerce Committees Passed IPAB Repeal Legislation With Unanimous Bipartisan Support. "A second House committee agreed by voice vote Thursday to repeal a key cost-cutting board in President Obama's health care law. The Ways and Means Committee voted to repeal the Independent Payment Advisory Board (IPAB), a 15-member panel tasked with cutting Medicare payments. The Energy and Commerce Committee passed the same repeal bill earlier this week." (Sam Baker, "Second House Panel Clears Bill To Repeal Medicare Board," *The Hill's Health Watch*, 3/8/12)

Rep. Pete Stark, (D-CA): Setting Low Payment Rates "Could Endanger Patient Care." "But, in its effort to limit the growth of Medicare spending, the board is likely to set inadequate payment rates for health care providers, which could endanger patient care." (Robert Pear, "Obama Panel to Curb Medicare Finds Foes In Both Parties," *The New York Times*, 5/19/11)

- **Rep. Stark (D-CA): IPAB Is A "Mindless Rate Cutting Machine ... That Will Endanger The Health Of America's Seniors And People With Disabilities."** "I oppose the inclusion the Independent Payment Advisory Commission, called IPAB. Some of my colleagues support this Commission because it shields them from having to take tough votes when it comes to cutting Medicare provider payments. It's my experience that Congress always does what is needed to protect and strengthen the Medicare program. IPAB is a dangerous provision. By statute, this Commission would be required to hold Medicare spending to an arbitrary and unrealistic growth rate. It is a mindless-rate cutting machine that sets the program up for unsustainable cuts. That will endanger the health of America's seniors and people with disabilities. It is an unprecedented abrogation of Congressional authority to an unelected, unaccountable body of so-called experts. I intend to work tirelessly to mitigate the damage that will be caused by IPAB." (Press Release, "Statement of Congressman Pete Stark Supporting Health Care Reform," [Office Of Rep. Pete Stark](#), 3/21/10)

Rep. Allyson Schwartz (D-PA) Says IPAB "Could Lead To Arbitrary Cuts To Doctors, Hospitals And Other Providers." "In fact, Schwartz will be one of the GOP's star witnesses at the Energy and Commerce Committee hearing. She says IPAB puts Congress's responsibility in the hands of an outside panel and could lead to arbitrary cuts to doctors, hospitals and other providers." (Jennifer Haberkorn, "Democrats Split On Independent Payment Advisory Board," [Politico](#), 7/10/11)

- **Rep. Schwartz (D-PA): "While I Embrace The Goal Of Reducing Costs, I Cannot Condone The Implementation Of A Flawed Policy That Will Risk Beneficiary Access To Care."** (Allyson Schwartz, U.S. Representative, [Letter To Congressional Colleagues](#), 4/15/11)

- **Rep. Schwartz (D-PA): Repealing IPAB Will Allow Congress To Focus On Cost Savings.** “We can and will address the unsustainable rate of growth in health care spending. Repeal of IPAB will allow us to focus our efforts on the promotion of thoughtful innovations that will achieve cost savings by incentivizing efficient, high quality care for all Americans.” (Allyson Schwartz, U.S. Representative, [Letter To Congressional Colleagues](#), 4/15/11)
- **Rep. Schwartz (D-PA): “We Cannot Impose A Financial Burden On Patients And Providers To Conceal Inherent Flaws In Our Health Care System Through Arbitrary Cuts.”** (Press Release, “Schwartz: IPAB Is The Wrong Path Toward Medicare Payment Reform,” [U.S. Representative Allyson Schwartz](#), 4/15/11)
- **Rep. Schwartz (D-PA): “IPAB Brings Unpredictability And Uncertainty To Providers And Has The Potential For Stifling Innovation And Collaboration.”** (Rep. Allyson Schwartz, Op-Ed, “Opposing View: Repeal Medicare Board,” [USA Today](#), 5/22/11)
- **Rep. Schwartz (D-PA): IPAB’s Cuts Are The “Least Imaginative Option” For Cost Savings.** “The threat of reduced payments is the least imaginative option and most unlikely to result in the kind of health care we know seniors and all Americans deserve.” (Rep. Allyson Schwartz, Op-Ed, “Opposing View: Repeal Medicare Board,” [USA Today](#), 5/22/11)

Rep. Frank Pallone (D-NJ) Says He Strongly Opposes IPAB And It Must Be Stopped. “I am very strongly opposed to the Independent Payment Advisory Board, or IPAB, created under the Affordable Care Act. I’ve never supported it and I would certainly be in favor of abolishing it...It’s not the job of an independent commission to get involved in congressional matters, in this instance, health care policies for Medicare beneficiaries...It’s about a growing, imperialistic presidency...We have to stop it. We have to reverse it. We can’t be a part of an effort to let that continue.” (Committee On Energy And Commerce, U.S. House, [Hearing](#), 7/13/11)

Former Democrat House Majority Leader Dick Gephardt: IPAB’s Cuts Will Cause “Devastating Consequences.” “It will propose cuts to Medicare that Congress can override only with supermajority votes, an unnecessarily high and unrealistic bar. Just as important, these cuts are likely to have devastating consequences for the seniors and disabled Americans who are Medicare’s beneficiaries because, while technically forbidden from rationing care, the Board will be able to set payment rates for some treatments so low that no doctor or hospital or other health care professional would provide them.” (Dick Gephardt, Op-Ed, “Medicare Must Remain A Responsibility Of Congress,” [Huffington Post](#), 6/21/11)

OBAMA TOLD AMERICANS THAT HEALTH CARE REFORM WOULD PUT HEALTH CARE COSTS IN CHECK

Obama Said That Health Care Costs Are Putting The “Federal Budget On A Disastrous Path” And That His Plan Will “Restore Fiscal Discipline.” OBAMA: “And, finally, the explosion in health care costs has put our Federal budget on a disastrous path. This is largely due to what we’re spending on Medicare and Medicaid, entitlement programs whose costs are expected to continue climbing in the years ahead as baby boomers grow older and come to rely more and more on our health care system. That’s why I’ve said repeatedly that getting health care costs under control is essential to reducing budget deficits, restoring fiscal discipline, and putting our economy on a path towards sustainable growth and shared prosperity.” (President Barack Obama, [Remarks On Health Care Reform](#), Washington, D.C., 5/11/09)

ObamaCare Has Failed To Lower Health Care Costs And “Restore Fiscal Discipline”

ObamaCare Will Increase Federal Health Care Spending By \$478 Billion From 2011-2021.

“President Barack Obama’s health care overhaul will add \$478 billion in spending from 2011-2021, the period covered by the projections. Some 30 million uninsured people will get coverage.” (“With Or Without Obama’s Law; U.S. Health Care Costs Will Keep Outpacing Economy,” [The Associated Press](#), 6/12/12)

- **ObamaCare Will “Accelerate” Health Care Spending To 7.4 Percent.** “Despite the slow rate in health spending growth seen during the recession and beyond, in 2014 health spending growth is expected to pick up and accelerate to 7.4 percent.” (Steven Reinberg, “Modest Health Care Spending Rise Expected For 2013,” [MSN](#), 6/12/12)
- **Sean Keehan, CMS Office Of The Actuary Senior Economist: In 2014, When ObamaCare Is Implemented, “Health Care Spending Is Expected To Increase Significantly.”** “‘We are expecting near-historic low growth in health spending for the first three years of our projection period,’ Sean Keehan, a senior economist in the CMS Office of the Actuary and lead author of the report, said during an early-afternoon press conference. But in 2014, when all the facets of the Affordable Care Act go into effect, health care spending is expected to increase significantly, he added. ‘This is especially the case for prescription drugs and clinician clinical services,’ Keehan said.” (Steven Reinberg, “Modest Health Care Spending Rise Expected For 2013,” [MSN](#), 6/12/12)

Health Care Spending Will Grow An Annual Rate Of 5.7 Percent For 2011 Through 2021, “0.9 Percentage Point Faster Than The Expected Growth In The Gross Domestic Product.” “New estimates released today from the Office of the Actuary at the Centers for Medicare and Medicaid Services (CMS) project that aggregate health care spending in the United States will grow at an average annual rate of 5.7 percent for 2011 through 2021, or 0.9 percentage point faster than the expected growth in the gross domestic product (GDP).” (Chris Fleming, “Health Spending Growth Projected To Average 5.7 Percent Annually Through 2021,” *Health Affairs*, 6/12/12)

Health Care Spending Is Expected To Hit \$4.78 Trillion In 2021. “In 2021, U.S. health care spending will reach \$4.78 trillion, or 19.6 percent of the U.S. economy, compared with 17.9 percent last year, the report stated.” (Jeffrey Young, “Health Care Reform Boosts Spending A Tiny Fraction While Covering Millions,” [The Huffington Post](#), 6/12/12)

- **The Updated Totals Are “Staggering,” Exceeding Last Year’s Estimate.** “The extra cost of expanding health insurance coverage is still staggering in total dollar amount: In 2021, U.S. health care spending will reach \$4.78 trillion, or 19.6 percent of the U.S. economy, compared with 17.9 percent last year, the report stated. The combined federal and state governments' share of health care spending will rise from 46 percent last year to 49 percent in 2021 as more people get subsidized health insurance or Medicaid benefits, and as more baby boomers become eligible for Medicare.” (Jeffrey Young, “Health Care Reform Boosts Spending A Tiny Fraction While Covering Millions,” [The Huffington Post](#), 6/12/12)

ObamaCare Is Directly Responsible To For The Rise In Health Care Spending

When Medicare’s Chief Actuary Rick Foster Was Asked If ObamaCare Would Bring Down Medical Costs As Obama Promised, He Said “I Would Say False, More So Than True.” “Foster was asked by Rep. Tom McClintock, R-Calif., for a simple true or false response on two of the main assertions made by supporters of the law: that it will bring down unsustainable medical costs and will let people keep their current health insurance if they like it. On the costs issue, ‘I would say false, more so than true,’ Foster responded.” (Ricardo Alonso-Zaldivar, “Medicare Official Doubts Health Care Law Savings,” [The Associated Press](#), 1/26/11)

The Congressional Budget Office Finds That The Law Will Cause Federal Health Care Costs To Rise Even Higher. “In addition, the major health care legislation enacted in 2010 will increase the number of beneficiaries of federal health care programs, and CBO projects that the costs of those programs per beneficiary will continue rising (albeit at different rates because of differences in the laws that govern them).” (“The Budget And Economic Outlook: An Update,” [Congressional Budget Office](#), 8/24/11)

CBO: ObamaCare Mandates Will “Significantly Increase” Mandatory Health Care Spending “From \$26 Billion This Year To \$161 Billion In 2022.” “Provisions in the Affordable Care Act will significantly

increase the scope and scale of such benefits in the coming decade. In CBO's baseline projections, federal spending for mandatory health care programs other than Medicare and Medicaid rises from \$26 billion this year to \$161 billion in 2022." ("The Budget And Economic Outlook: Fiscal Years 2012 To 2022," [Congressional Budget Office](#), 1/31/12)

- **ObamaCare Increases Entitlement Spending On Medicaid And CHIP \$168 Billion By 2021.** "According to CBO and JCT's projections for the 2012–2021 period, spending for Medicaid resulting from the coverage provisions of the ACA will be \$160 billion more than estimated last year, and such spending for CHIP will be \$8 billion more." ("Updated Estimates For The Insurance Coverage Provisions Of The Affordable Care Act," [Congressional Budget Office](#), 3/13/12)

CBO: Federal Health Care Spending Will Double To \$1.8 Trillion Over The Next Decade. "The cost of government health care programs will more than double over the next decade, the Congressional Budget Office said Tuesday. CBO's economic outlook predicts that federal spending on Medicare, Medicaid and other health care programs will climb to \$1.8 trillion — or about 7 percent of the entire economy — by 2022." (Sam Baker, "CBO Expects Health Spending To Double," [The Hill](#), 1/31/12)

- **CBO: Medicare Savings Created By ObamaCare Are Used To Pay For Other Spending.** "However, only the additional savings by the government as a whole—from reductions in unified budget deficits— truly increase the government's ability to pay for future spending, whether for Medicare benefits or other programs. At least initially, those savings will be much smaller than the increase in balances in the trust fund. In particular, unified budget accounting shows that the majority of the HI trust fund savings achieved under the legislation through 2019 will be used to pay for other spending and therefore will not enhance the government's underlying ability to pay for future Medicare benefits." ("The Long-Term Budget Outlook," [Congressional Budget Office](#), 6/10, p. 44)

CBO: With ObamaCare, Medicaid Spending Will "Shoot Up Rapidly" Totaling \$605 Billion In 2022. "Spending for the program will climb again in 2013 and will shoot up rapidly in 2014, 2015, and 2016 as a result of provisions in the Affordable Care Act. By 2022, under current law, federal outlays for Medicaid are expected to total \$605 billion, more than twice the 2012 amount; spending will equal about 2.5 percent of GDP, compared with 1.7 percent this year." ("The Budget And Economic Outlook: Fiscal Years 2012 To 2022," [Congressional Budget Office](#), 1/31/12)

CBO: Enrollment In Medicaid Will Increase Under ObamaCare, Increasing The Federal Share Of Those Expenses. "Enrollment is expected to rise rapidly over the decade as more people become eligible for Medicaid under provisions of the Affordable Care Act and as the number of elderly people rises. By 2022, about 95 million people will be enrolled in Medicaid at some point in the year, CBO estimates. For many of those new enrollees, the federal share of their costs will be significantly larger than the share for individuals enrolled in Medicaid today." ("The Budget And Economic Outlook: Fiscal Years 2012 To 2022," [Congressional Budget Office](#), 1/31/12)

ObamaCare Will Cause Health Care Spending To Account For One-Fifth Of GDP

Federal Government Estimates That Health Care Spending "Will Account For Nearly One-Fifth Of The U.S. Economy." "National health spending will account for nearly one-fifth of the U.S. economy in 2021, according to updated estimates from the federal government." (Christian Torres, "Report: Health Spending Will Climb To Nearly One-Fifth Of GDP," [Kaiser Health News](#), 6/12/12)

Health Care Spending Will Outpace Growth Of The Economy. "By 2021, health care spending will be growing roughly 2 percentage points faster than the overall economy, about the same rate as the last 30 years. And that means hard choices ahead for government programs and private insurance." (Ricardo Alonso-Zaldivar, Government Report: Health Cost Relief Only Temporary," [The Associated Press](#), 6/12/12)

- **Health Care Spending Will Grow An Annual Rate Of 5.7 Percent For 2011 Through 2021, “0.9 Percentage Point Faster Than The Expected Growth In The Gross Domestic Product.”** “New estimates released today from the Office of the Actuary at the Centers for Medicare and Medicaid Services (CMS) project that aggregate health care spending in the United States will grow at an average annual rate of 5.7 percent for 2011 through 2021, or 0.9 percentage point faster than the expected growth in the gross domestic product (GDP).” (Chris Fleming, “Health Spending Growth Projected To Average 5.7 Percent Annually Through 2021,” *Health Affairs*, 6/12/12)
- **“The Health Care Share Of GDP By 2021 Is Projected To Rise To 19.6 Percent, From Its 2010 Level Of 17.9 Percent.”** (Chris Fleming, “Health Spending Growth Projected To Average 5.7 Percent Annually Through 2021,” *Health Affairs*, 6/12/12)

CBO: Spending On Social Security And Other Health Care Programs Will Rise Outstripping “Growth In Nominal GDP In 2022.” “CBO projects that the costs per enrollee for Social Security and the major health care programs also will continue to rise, albeit at different rates because of differences in the laws that govern them. Altogether, spending on those programs will increase at an average annual rate of nearly 7 percent between 2013 and 2022, a pace that will outstrip growth in nominal GDP.” (“The Budget And Economic Outlook: Fiscal Years 2012 To 2022,” [Congressional Budget Office](#), 1/31/12)

The Rise In Health Care Spending Under ObamaCare Is Worse Than The Status Quo

ObamaCare To Increase Federal Health Care Spending More Than Had It Never Been Enacted. “Health care reform will add to the nation's health care tab from 2011 to 2021 some \$478 billion, which amounts to 0.1 percent more annually on average than if Congress never passed the law, according to projections issued Tuesday by the Office of the Actuary, a nonpartisan analytical office within the federal Centers for Medicare and Medicaid Services.” (Jeffrey Young, “Health Care Reform Boosts Spending A Tiny Fraction While Covering Millions,” [The Huffington Post](#), 6/12/12)

- **If ObamaCare Hadn’t Be Enacted, Health Care Would’ve Grown By 5.3 Percent Rather Than 7.4 Percent.** “Spending will jump 7.4 percent to \$3.13 trillion in 2014 when the law will begin to extend subsidized coverage through private health insurance and the Medicaid program. This compares with a 5.3 percent hike if health care reform had not been enacted. In later years, rates of growth will return to levels consistent with recent history, the data show.” (Jeffrey Young, “Health Care Reform Boosts Spending A Tiny Fraction While Covering Millions,” [The Huffington Post](#), 6/12/12)

ObamaCare Will Force A Growth In Health Care Spending, More Than Had It Never Been Signed Into Law. “But over the 2010-2020 period covered by the estimate, the average yearly growth in health care spending will be only 0.1 percentage point higher than without Obama's overhaul.” (Ricardo Alonso-Zaldivar, “Health Tab To Hit \$4.6 Trillion In 2020,” [The Associated Press](#), 7/28/11)

- **ObamaCare Is Causing Nation’s Health Care Costs To Increase More Than Had It Never Been Enacted.** “Despite President Obama’s promises to rein in health care costs as part of his reform bill, health spending nationwide is expected to rise more than if the sweeping legislation had never become law. Total spending is projected to grow annually by 5.8 percent under Mr. Obama’s Affordable Care Act, according to a 10-year forecast by the Centers for Medicare and Medicaid Services released Thursday. Without the ACA, spending would grow at a slightly slower rate of 5.7 percent annually.” (Paige Winfield Cunningham, “Health Care Law Won’t Rein In Costs, Study Says,” [The Washington Times](#), 7/28/11)

Medicare Actuaries Found That Spending On “Prescription Drugs And Physicians And Clinical Services Will Grow Much Faster Than Without The Law.” “Spending on prescription drugs and physicians and clinical services will grow much faster than without the law (10.7 percent in 2014 for drugs and 8.9 percent for clinical services), while the law will have relatively little effect on hospital

spending despite the millions of newly insured people. That's because 'many of the newly insured will be younger and healthier,' the actuaries wrote, '[and] are expected to use physician services and prescription drugs to a greater extent than hospital or other more intensive services.'" (Julian Pecquet, "Health Care Spending To Reach New Heights," *The Hill's Health Watch*, 7/28/11)

Democrat Co-Chair Of Obama's Fiscal Commission Erskine Bowles: ObamaCare "Didn't Do A Lot To Address Cost Factors In Health Care." "The Democratic co-chair of President Obama's fiscal commission said Wednesday that the president's health care bill will do very little to bring down costs, contradicting claims from the White House that their sweeping legislation will dramatically impact runaway entitlement spending. 'It didn't do a lot to address cost factors in health care. So we've got a lot of work to do,' said Erskine Bowles, former White House chief of staff to President Bill Clinton, speaking about the new health law, which was signed into law by Obama this past spring after a nearly year-long fight in Congress." (Jon Ward, "Obama Fiscal Commission Co-Chair Pans Health Bill's Impact On Costs," *The Daily Caller*, 7/15/10)

- **Erskine Bowles Agreed That ObamaCare Didn't Address Health Care Costs.** PBS's CHARLIE ROSE: "The argument being made by people who oppose Obama health care beyond a mandate. Is, they say they dealt with access to health care but they did not deal with costs." ERSKINE BOWLES: "And I think that that is a fair argument. Basically the difference in the two sides is as follows. If you look at Medicare and Medicaid, it's talking about 6 percent of the GDP today. It will be 10 percent before you know it. Everybody's trying to slow the rate of growth. The democrats believe that the Affordable Health Care Act, ObamaCare, whatever you want to call it. With the cuts in there, the pilot programs they have, they believe that will slow the rate of growth to GDP +1. We do not believe that. That's why we put in \$500 billion in additional cuts to try to slow that rate of growth. And said if that doesn't work, what we should look at more drastic steps which would include a premium support plan." (PBS's "[Charlie Rose Show](#)," 3/29/12)

OBAMACARE'S FAILURE TO REIN IN HEALTH CARE COSTS WILL INCREASE THE NATIONAL DEBT

Obama Said "Health Care Reform Must Not Add To Our Deficits." "Health care reform must not add to our deficits over the next 10 years--it must be at least deficit neutral and put America on a path to reducing its deficit over time." (Barack Obama, President, [Letter To Senate Democratic Leaders On Health Care](#), 9/2/09)

Country's Debt Will Continue To Grow Because ObamaCare Doesn't Address Federal Spending On Health Care. "Indeed, both the government and its debts will continue to grow faster than the American economy, primarily because the new law does not address federal spending on health care." (Binyamin Appelbaum, "Spending Cuts Seen As Step, Not As Cure," *The New York Times*, 8/2/11)

CBO Reported That An "Explosion" In Health Care Spending, Including New Costs In ObamaCare, Will Drive The National Debt Higher. "Over the long term, the CBO said, the debt will be driven by a projected explosion in spending linked entirely to Social Security, Medicare and Medicaid, as well as 'insurance subsidies' that are intended to help cover the uninsured under President Obama's new health-care law." (Rosalind S. Helderman And Lori Montgomery, "Congressional Leaders Increase Pressure On Group Discussing Debt-Reduction Deal," *The Washington Post*, 6/22/11)

CBO: The Aging Population And Rising Health Care Costs "Will Increase Federal Debt To Unsupportable Levels." "Under both CBO's baseline and its alternative fiscal scenario, the aging of the population and rising costs for health care will push spending for Social Security, Medicare, Medicaid, and other federal health care programs considerably higher as a percentage of GDP. If that rising level of spending is coupled with revenues that are held close to the average share of GDP that they have represented for the past 40 years (rather than being allowed to increase, as under current law), the

resulting deficits will increase federal debt to unsupportable levels.” (The Budget And Economic Outlook: Fiscal Years 2012 To 2022, [Congressional Budget Office](#), 1/31/12)

- **“The United States Will Find Little Relief From Its Bleak Long-Term Fiscal Outlook So Long As Growing Federal Health Care And Retirement Programs Gobble Up More And More Of The Country’s Resources, Said A New Economic Report Issued On Wednesday.”** (Donna Smith And Richard Cowan, “CBO Sees Government Benefits Swamping Economy,” [Reuters](#), 6/22/11)

The Medicare And Social Security Trustee Charles Blahous Found “That Federal Accounting Practices Have Obscured The True Impact Of” ObamaCare. “Reigniting a debate about the bottom line for President Barack Obama's health care law, a leading conservative economist estimates in a study to be released Tuesday that the overhaul will add at least \$340 billion to the deficit, not reduce it. Charles Blahous, who serves as public trustee overseeing Medicare and Social Security finances, also suggested that federal accounting practices have obscured the true fiscal impact of the legislation, the fate of which is now in the hands of the Supreme Court.” (Ricardo Alonso-Zaldivar, “Study: Obama’s Health Care Law Would Raise Deficit,” [The Associated Press](#), 4/9/12)

A Report Released By Obama Appointee Charles Blahous Found That ObamaCare Will “Add More Than \$340 Billion” To The Federal Deficit. “President Obama’s landmark health-care initiative, long touted as a means to control costs, will actually add more than \$340 billion to the nation’s budget woes over the next decade, according to a new study by a Republican member of the board that oversees Medicare financing.” (Lori Montgomery, “Health Care Law Will Add \$340 Billion To Deficit, New Study Finds,” [The Washington Post](#), 4/9/12)

- **The Medicare And Social Security Trustee’s Analysis Debunks “Conventional Wisdom” That ObamaCare Would Reduce The Deficit.** “The study is set to be released Tuesday by Charles Blahous, a conservative policy analyst whom Obama approved in 2010 as the GOP trustee for Medicare and Social Security. His analysis challenges the conventional wisdom that the health-care law, which calls for an expensive expansion of coverage for the uninsured beginning in 2014, will nonetheless reduce deficits by raising taxes and cutting payments to Medicare providers.” (Lori Montgomery, “Health Care Law Will Add \$340 Billion To Deficit, New Study Finds,” [The Washington Post](#), 4/9/12)

According To The Report, ObamaCare “Has Substantially Worsened A Dire Federal Fiscal Outlook. “Blahous, in his 52-page analysis released by George Mason University's Mercatus Center, said, “Taken as a whole, the enactment of the (health care law) has substantially worsened a dire federal fiscal outlook.” (Ricardo Alonso-Zaldivar, “Study: Obama’s Health Care Law Would Raise Deficit,” [The Associated Press](#), 4/9/12)

- **Blahous Said ObamaCare Will Cost More And Add More To The Deficit Than Had It Never Been Enacted.** “‘The (law) both increases a federal commitment to health care spending that was already unsustainable under prior law and would exacerbate projected federal deficits relative to prior law,’ Blahous said.” (Ricardo Alonso-Zaldivar, “Study: Obama’s Health Care Law Would Raise Deficit,” [The Associated Press](#), 4/9/12)

Due To Scoring Rules, Federal Scorekeepers Double Count ObamaCare’s Medicare Cuts As Savings. “Under federal accounting rules, the Medicare cuts are also credited as savings to that program's trust fund. But the CBO and Medicare's own economic estimators already said the government can't spend the same money twice.” (Ricardo Alonso-Zaldivar, “Study: Obama’s Health Care Law Would Raise Deficit,” [The Associated Press](#), 4/9/12)

Obama Gave Approval To Using Budget Gimmickry And “Fiddling With The Way It Presented Savings” From ObamaCare. “In the December 20th memo, they resorted to gimmickry. In his first budget, Obama had prided himself on ‘honest budgeting,’ declining to employ the fanciful assumptions that the previous Administration had used to hide the costs of government. On disaster relief, for example, he had estimated that the government would need twenty billion dollars a year, a figure based on the statistical likelihood of major disasters requiring federal aid. Now Obama’s aides reminded him

that Congress had ignored his 'honest budgeting' approach,' and perhaps they should, too. They proposed '\$5 billion per year for disaster costs.' Obama drew another check mark. The White House could also save billions by fiddling with the way it presented savings from Obama's health-care-reform bill. Check." (Ryan Lizza, "The Obama Memos," [The New Yorker](#), 1/30/12)

OBAMACARE WILL COST MORE THAN PROMISED

In 2009, Obama Promised That ObamaCare Would "Cost Roughly \$900 Billion." OBAMA: "Now, what I've proposed is going to cost roughly \$900 billion, 800 to 900. That's a lot of money. Keep in mind it's over 10 years. So when you hear some of these figures thrown out there, this is not per year; this is over 10 years. So let's assume it's about \$80 billion a year. It turns out that about two-thirds of that could be paid for by eliminating waste in the existing system." (President Barack Obama, [Remarks At A Town Hall Meeting](#), Grand Junction, CO, 8/15/09)

"According To An Analysis By House Budget Committee Republicans, The Health Care Law Will Cost The Nation \$2.6 Trillion When Fully Implemented, And Add \$701 Billion To The Deficit In Its First Ten Years." ("ObamaCare: A Budget-Busting, Job-Killing Health Care Law," Office Of The Speaker Of The U.S. House Of Representatives, [Report](#), 1/6/11)

Congressional Budget Office: ObamaCare's Coverage Provisions To Cost \$1.68 Trillion By 2022, Nearly Double What Obama Said It Would Cost. ("Updated Estimates For The Insurance Coverage Provisions Of The Affordable Care Act Updated For The Recent Supreme Court Decision," [Congressional Budget Office](#), 7/24/12)

Sen. Max Baucus (D-MT) Admits Budget Gimmick Hides True Cost Of Bill, Which Could Be As Much As \$2.5 Trillion. BAUCUS: "Just for a second -- health care reform, whether you use a ten-year number or when you start in 2010 or start in 2014, wherever you start at, so it is still either \$1 trillion or it's \$2.5 trillion, depending on where you start..." (Sen. Max Baucus, [Floor Remarks](#), 12/2/09)

The Cost Of ObamaCare's Exchanges Have Ballooned And The Costs Could Become "Unsustainable"

Federal Spending On ObamaCare's Exchanges Will Increase By \$164 Billion From 2013 To 2022. "As a result of the recent Supreme Court decision, CBO and the staff of the Joint Committee on Taxation (JCT) have increased their estimates of what the government will spend on subsidies provided through the health insurance exchanges starting in 2014. Largely because fewer individuals will be eligible for Medicaid, CBO and JCT anticipate that more people will be eligible for and will enroll in the exchanges than had previously been projected. Consequently, outlays for premium assistance credits and cost-sharing subsidies will be higher, by \$164 billion, during the 2013–2022 period, accounting for most of the increase in health insurance subsidies and other health care programs. (For the same reason, revenues will be \$46 billion lower over that period.)" ("An Update To The Budget And Economic Outlook: Fiscal Years 2012 To 2022," [Congressional Budget Office](#), 8/22/12)

- **Spending On Health Insurance Subsidies And Exchanges Will Cost \$795 Billion Through 2022.** ("An Update To The Budget And Economic Outlook: Fiscal Years 2012 To 2022," [Congressional Budget Office](#), 8/22/12)
- **Cost Estimates To Fund The ObamaCare Exchanges Has Increased From \$367 Billion To \$478 Billion.** "Last year's budget estimated the cost of the aid to be \$367 billion from 2014-2021. This year's budget puts it at \$478 billion over the same period." (Ricardo Alonso-Zaldivar, "Soaring Cost Estimate Prompts Health Law Doubts," [The Associated Press](#), 3/2/12)

Costs Estimates Increased Even Though There Have Been "No Significant Changes" To The Exchanges. "Administration officials say the explanation lies in budget technicalities and that there are no significant changes in the program." (Ricardo Alonso-Zaldivar, "Soaring Cost Estimate Prompts Health Law Doubts," [The Associated Press](#), 3/2/12)

The Revised Numbers In Obama's FY2013 Budget Have "Stumped" Administration Officials Including HHS Secretary Kathleen Sebelius. "The revised health care overhaul numbers, buried deep in the president's budget, stumped lawmakers and some administration officials earlier in the week. At a congressional hearing Tuesday, Health and Human Services Secretary Kathleen Sebelius, who is in charge of carrying out the health care law, indicated she was unaware of the changes. At issue are subsidies that will be provided under the health care law to help middle class people buy private coverage in new state insurance markets that open for business in 2014." (Ricardo Alonso-Zaldivar, "Soaring Cost Estimate Prompts Health Law Doubts," [The Associated Press](#), 3/2/12)

- **Only In The Obama White House Is An Extra \$111 Billion No Big Deal.** "But administration officials say the big increase is no cause for alarm and that the administration is not forecasting an erosion of employer coverage or higher insurance costs." (Ricardo Alonso-Zaldivar, "Soaring Cost Estimate Prompts Health Law Doubts," [The Associated Press](#), 3/2/12)

The White House Contends That The Higher Cost Estimate Are Due To "Newly Signed Legislation." "About two-thirds of the increase is due to effects of newly signed legislation that raises costs for one part of the health care law, but still saves the government money overall. The rest is due to technical changes in Treasury assumptions about such matters as the distribution of income in America." (Ricardo Alonso-Zaldivar, "Soaring Cost Estimate Prompts Health Law Doubts," [The Associated Press](#), 3/2/12)

- **The "Fiscal Referee For Lawmakers," The Congressional Budget Office Finds No "Major Impact" On Exchanges By "Newly Signed Legislation."** "They say a big reason for their doubts is that the Congressional Budget Office — the fiscal referee for lawmakers — has different numbers from the Obama administration. The budget office is not forecasting a major impact on the health insurance exchanges from the same newly signed legislation that the administration says accounts for two-thirds of the \$111 billion increase." (Ricardo Alonso-Zaldivar, "Soaring Cost Estimate Prompts Health Law Doubts," [The Associated Press](#), 3/2/12)

Peter Orszag, Obama's Former Director Of The Office Of Management And Budget: "The Cost To The Federal Government Of Subsidizing Coverage In The Exchanges, In Turn, Could Become Unsustainable." (Peter Orszag, "How Health Care Can Save Or Sink America," *Foreign Affairs*, 7/8/11)

WHEN OBAMA HAD THE CHANCE TO TACKLE HEALTH CARE COSTS, HE CAME UP SHORT

Obama Avoided Medical Tort Reform That Would Have Saved Billions

During A Joint Session Of Congress, Obama Said He Thought Tort Reform Was A "Good Idea" And That He Would Direct The HHS Secretary To "Move Forward" On Such Ideas. "Now, I don't believe malpractice reform is a silver bullet, but I've talked to enough doctors to know that defensive medicine may be contributing to unnecessary costs. So I'm proposing that we move forward on a range of ideas about how to put patient safety first and let doctors focus on practicing medicine. I know that the Bush administration considered authorizing demonstration projects in individual States to test these ideas. I think it's a good idea, and I'm directing my Secretary of Health and Human Services to move forward on this initiative today." (President Barack Obama, [Remarks To A Joint Session Of Congress](#), Washington, D.C., 9/9/09)

Obama Has Never Been Serious About Tort Reform. "Politically, the program, mentioned in Obama's joint speech to Congress, was a test balloon to see whether medical liability reform could be a sweetener to build Republican support for reform. It didn't work and Obama largely dismissed the issue a few days later. This program is what remains." (Chris Frates, "W.H. Launches Medical Liability Reform Pilot," *Politico's "Live Pulse"*, 9/17/09)

PolitiFact: “False” On Former U.S. Rep. Anthony Weiner’s (D-NY) Claim That ObamaCare “Includes Tort Reform.” (“Tort Reform In The Health Care Law? No,” [PolitiFact](#), 1/21/11)

- **PolitiFact: Weiner “Significantly” Mischaracterized ObamaCare.** “But in claiming that the law includes tort reform, he is significantly mischaracterizing the law. Although it has a tiny amount of money for state pilot projects that look at alternatives to litigation, they are so small that they were ignored by the leading group that opposes tort reform -- the trial lawyers. The group’s president said the projects weren’t anything to be concerned about. That puts the projects at such a great distance from any sort of traditional notion of tort reform that they’re just not even in the same ballpark. We rate Weiner’s statement False.” (“Tort Reform In The Health Care Law? No,” [PolitiFact](#), 1/21/11)

Peter Orszag, Obama’s Former OMB Director Said ObamaCare Came Up Short In Reforming The Malpractice System. “To be fair, the new law has many shortcomings — including its failure to seriously reform the medical malpractice system.” (Peter Orszag, “How Health Care Can Save Or Sink America,” *Foreign Affairs*, 7-8/11)

- **Orszag: ObamaCare Missed A Major Opportunity By Not Addressing Tort Reform.** “A far better strategy would be to provide a safe harbor for doctors who follow evidence-based guidelines. Under this approach, a doctor would not be held liable if he or she followed the recommended course for treating a specific illness or condition under guidelines put forward by professional associations such as the American Medical Association or the Institute of Medicine. By failing to move forcefully in this direction, the health reform act missed a major opportunity.” (Peter Orszag, “How Health Care Can Save Or Sink America,” *Foreign Affairs*, 7-8/11)
- **Peter Orszag, Obama’s Former Director Of The Office Of Management And Budget: On Medical Malpractice Reform, “You Can’t Defend The Current System.”** ORZAG: “I think the thing that medical practitioners as opposed to consultants complain most about is there is nothing on medical malpractice that’s happening. And the evidence on that is a little mixed. Practitioners believe it’s a key driver of their behavior – academic studies show it is smaller. But I actually personally believe we should do a version of malpractice reform. It is a little different than the one I think Mr. Holtz-Eakin would support, but there is no reason -- you can’t defend the current system.” (Bloomberg’s “Surveillance,” 8/21/12)

CBO Says Tort Reform Could Save \$62.4 Billion Over 10 Years. “According to the non-partisan Congressional Budget Office document focusing on ‘Reducing The Deficit’ (Function 550- ‘Limit Medical Malpractice Torts,’ p. 35) tort reform would save \$62.4 billion over calendar years 2012-2021.” (“Reducing The Deficit: Spending And Revenue Options,” [Congressional Budget Office](#), 3/11)

- **Annual Defensive Medicine Costs Are Conservatively Estimated At \$50 Billion.** “The cost of defensive medicine is difficult to estimate, but conservative estimates start at around \$50 billion a year. Obama’s debt commission estimated its recommendations could save government programs \$17 billion through 2020, calling for an aggressive effort to rewrite malpractice laws.” (Ricardo Alonso-Zaldivar, “Obama Starts Drive For Medical Malpractice Reforms,” [The Associated Press](#), 2/15/11)

ObamaCare’s Cost Cutting Project Has Failed To Deliver Cost Saving Measures

ObamaCare Created A New National Center To Study Ways To Cut The Costs Of Health Care. “The Obama administration touts it as a key solution to the nation’s runaway health-care spending: a new national center set up by the 2010 health-care law to test and implement groundbreaking ways to cut costs while improving patient care.” (N.C. Aizenman, “Center For Medicare And Medicaid Innovation Aims To Cut Health-Care Costs,” [The Washington Post](#), 1/26/12)

But Health Care Experts Question The New Center And Its Programs, Pointing To Similar Initiatives In The Past Forty Years That Have Mostly Failed. “Some health-care experts question how many of these experiments will result in significant savings. They point to a study released by the Congressional Budget Office last week that found that savings were produced in only one of 10 major Medicare demonstration projects tried by administrations since 1967 — all of them similar to initiatives the innovation center has begun.” (N.C. Aizenman, “Center For Medicare And Medicaid Innovation Aims To Cut Health-Care Costs,” [The Washington Post](#), 1/26/12)

Programs Similar To ObamaCare’s Accountable Care Organizations Have Failed To Yield Cost Savings. “The idea took a hit earlier this year, however, when the nonpartisan Congressional Budget Office issued a report finding that six similar programs have mostly failed to lower costs over the past 20 years.” (Julian Pecquet, “More Than 1 Million Medicare Beneficiaries Enrolled In Health Law Savings Programs,” [The Hill’s Health Watch](#), 4/10/12)

- **Accountable Care Organizations Were Supposed To Be ObamaCare’s “Crown Jewel Of Cost-Saving Reform.”** “The latest example is the rule for Accountable Care Organizations that are supposed to be the crown jewel of cost-saving reform.” (Editorial, “The Accountable Care Fiasco,” [The Wall Street Journal](#), 6/20/11)
- **CBO: “In Nearly Every Program, Spending Was Unchanged Or Increased.”** “In nearly every program, spending was either unchanged or increased relative to the spending that would have occurred in the absence of the program, when the fees paid to the participating organizations were considered.” (“Lessons From Medicare’s Demonstration Projects On Disease Management, Care Coordination, And Value-Based Payment,” [CBO Director’s Blog](#), 1/18/12)
- **CBO: “Programs Did Not Achieve Enough Savings To Offset Their Fees.”** “Programs in which care managers had substantial direct interaction with physicians and significant in-person interaction with patients were more likely to reduce Medicare spending than other programs. But, on average, even those programs did not achieve enough savings to offset their fees.” (“Lessons From Medicare’s Demonstration Projects On Disease Management, Care Coordination, And Value-Based Payment,” [CBO Director’s Blog](#), 1/18/12)
- **CBO: “On Average, The 34 Programs Had Little Or No Effect On Hospital Admissions.”** (“Lessons From Medicare’s Demonstration Projects On Disease Management, Care Coordination, And Value-Based Payment,” [CBO Director’s Blog](#), 1/18/12)

“The Findings Are A Blow To Existing Medicare Projects As Well As A Key Goal Of The Health Care Reform Law.” (Sam Baker, “CBO: Medicare Cost-Cutting Programs Haven’t Worked,” [The Hill’s Health Watch](#), 1/18/12)

OBAMA BROKE HIS PROMISE TO THE MIDDLE-CLASS THAT HE WOULDN’T RAISE TAXES

Obama Promised That He Wouldn’t Raise Taxes On The Middle Class. OBAMA: “I can make a firm pledge. Under my plan, no family making less than \$250,000 a year will see any form of tax increase, not your income tax, not your payroll tax, not your capital gains taxes, not any of your taxes.” (Senator Barack Obama, [Remarks](#), Dover, NH, 9/12/08)

PolitiFact Gives Obama A “False” On His Claim That He “Didn’t Raise Taxes Once.” Obama: “I didn’t raise taxes once.” (“President Barack Obama Says He Didn’t Raise Taxes Once,” [PolitiFact](#), 2/7/11)

- **Obama Did Raise Taxes On Americans Through ObamaCare.** “The new health care law also includes a tax on people who decide not to have health insurance, as an incentive for them to get coverage. ... More significantly, the health care law includes new taxes on the wealthy, starting in 2013. Individuals who make more than \$200,000 and couples that make more than \$250,000 will see additional Medicare taxes of 0.9 percent. They will also, for the first time have to pay Medicare taxes on their investment income at a 3.8 percent tax rate.” (“President Barack Obama Says He Didn’t Raise Taxes Once,” [PolitiFact](#), 2/7/11)

- **PolitiFact: ObamaCare Raised Taxes On The Middle Class.** “The health care law that Obama signed on March 23, 2010, raises taxes on some things regardless of income. Two taxes in particular stand out. A tax on indoor tanning services begins this year. And in 2014, people will have to pay a fine, levied through their income taxes, if they don't have health insurance.” (Angie Drobnic Holan, “Smokers, Tanning Aficionados, The Happily Uninsured: More Taxes Coming At Ya!” [PolitiFact](#), 4/8/10)

The ObamaCare Tax Will Hit Millions Of Middle-Class Americans

The ObamaCare Tax Will Hit The Middle Class, “Violating His Sacred Promise Not To Tax Anyone Earning Less Than \$200,000.” “This was to spare the White House the embarrassment of admitting that President Obama was violating right out of the box his sacred promise not to tax anyone earning less than \$200,000. According to Congressional figures 70% to 75% of the ‘tax’ falls on those who earn less than \$200,000 per year, and that is 8 million non-rich people. So Mr. Obama argued this was a mandate and a fine to enforce the requirement to buy health care.” (Stephen Moore, Op-Ed, “The ObamaCare Tax,” [The Wall Street Journal](#), 6/28/12)

“80 Percent Of Those Who’ll Face The Penalty Would Be Making Up To Or Less Than Five Times The Federal Poverty Level.” “And the budget office analysis found that nearly 80 percent of those who’ll face the penalty would be making up to or less than five times the federal poverty level. Currently that would work out to \$55,850 or less for an individual and \$115,250 or less for a family of four.” (Ricardo Alonso-Zaldivar, “Tax Penalty To Hit Nearly 6M Uninsured People,” [The Associated Press](#), 9/19/12)

Non-Partisan Congressional Budget Office (CBO): “6 Million People Will Pay A Penalty Because They Are Uninsured In 2016.” “After accounting for those who will not be subject to the penalty tax, CBO and JCT now estimate that about 6 million people will pay a penalty because they are uninsured in 2016 (a figure that includes uninsured dependents who have the penalty paid on their behalf) and that total collections will be about \$7 billion in 2016 and average about \$8 billion per year over the 2017–2022 period.” (“Payments Of Penalties For Being Uninsured Under The Affordable Care Act,” [Congressional Budget Office](#), 9/19/12)

- **“That’s 2 Million More Than A Previous Estimate Found, Or A 50 Percent Increase.”** (Ricardo Alonso-Zaldivar, “Tax Penalty To Hit Nearly 6 Million Uninsured People,” [The Associated Press](#), 9/19/12)
- **“The Average Penalty Will Be Nearly \$1,200.”** (Ricardo Alonso-Zaldivar, “Tax Penalty To Hit Nearly 6 Million Uninsured People,” [The Associated Press](#), 9/19/12)
- **Projected Tax Revenue From 2016-2022: \$55 Billion.** (“Payments Of Penalties For Being Uninsured Under The Affordable Care Act,” [Congressional Budget Office](#), 9/19/12)

CBO: In 2016, 4.7 Million Americans Who Live In Families That Earn Up To \$123,000 Annually Will Be Subjected To The Obamacare Tax. (“Payments Of Penalties For Being Uninsured Under The Affordable Care Act,” [Congressional Budget Office](#), 9/19/12)

- **CBO: 600,000 Americans Who Live In Families That Earn Less Than The Federal Poverty Level Of \$24,600 Annually Will Be Subjected To The ObamaCare Tax.** (“Payments Of Penalties For Being Uninsured Under The Affordable Care Act,” [Congressional Budget Office](#), 9/19/12)
- **CBO: 1.2 Million Americans Who Live In Families That Earn Between \$24,600 And \$49,200 Annually Will Be Subjected To The Tax.** (“Payments Of Penalties For Being Uninsured Under The Affordable Care Act,” [Congressional Budget Office](#), 9/19/12)
- **CBO: 1.2 Million Americans Who Live In Families That Earn Between \$49,200 And \$73,800 Annually Will Be Subjected To The ObamaCare Tax.** (“Payments Of Penalties For Being Uninsured Under The Affordable Care Act,” [Congressional Budget Office](#), 9/19/12)

- **CBO: 1.1 Million Americans Who Live In Families That Earn Between \$73,800 And \$98,400 Annually Will Be Subjected To The ObamaCare Tax.** ("Payments Of Penalties For Being Uninsured Under The Affordable Care Act," [Congressional Budget Office](#), 9/19/12)
- **CBO: 600,000 Americans Who Live In Families That Earn Between \$98,400 And \$123,000 Annually Will Be Subjected To The ObamaCare Tax.** ("Payments Of Penalties For Being Uninsured Under The Affordable Care Act," [Congressional Budget Office](#), 9/19/12)

The ObamaCare Tax Is "The Largest Tax Increase In History On The Middle Class"

The Wall Street Journal: "Obama Has Imposed The Largest Tax Increase In History On The Middle Class." "It is now undeniable that Mr. Obama has imposed the largest tax increase in history on the middle class. Individuals who don't buy insurance will have to pay several hundred dollars, depending on income. The Congressional Budget Office says that 76% of those who pay the mandate tax will make less than 500% of the federal poverty level, estimated to be \$24,000 for a family of four in 2016. That means 76% of the payers will earn less than \$120,000 a year." (Editorial, "It's Up To The Voters Now," [The Wall Street Journal](#), 6/28/12)

OBAMACARE IS PAID FOR BY HUNDREDS OF BILLION OF DOLLARS IN TAX HIKEs

"[M]r. Obama Has Already Signed The Largest Tax Increase Since 1993." (Editorial, "Taxes Upon Taxes Upon...", [The Wall Street Journal](#), 7/11/11)

- **Obama Signed 18 Distinct Tax Increases Included In His Health Care Bill.** (Curtis Dubay, "ObamaCare And New Taxes: Destroying Jobs And The Economy," [The Heritage Foundation](#), 1/20/11)

Obama Pays For His Government Takeover Of Health Care With \$820.8 Billion In Job-Killing Taxes On Small Businesses, Investments And Innovation. ("Updated Estimates For The Insurance Coverage Provisions Of The Affordable Care Act," [Congressional Budget Office](#), 3/12; "Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The 'Affordable Care Act,'" [Joint Committee On Taxation](#), 6/15/12; "Payments Of Penalties For Being Uninsured Under The Affordable Care Act," [Congressional Budget Office](#), 9/19/12)

ObamaCare Contains "The Largest Set Of Tax Law Changes In More Than 20 Years." "The health care law 'includes the largest set of tax law changes in more than 20 years,' according to the Treasury inspector general who oversees the IRS. The agency will have to hire thousands of workers to manage it, requiring significant budget increases that already are being targeted by congressional Republicans determined to dismantle the president's signature initiative." (Stephen Ohlemacher, "The Tax Man Cometh To Police You On Health Care," [The Associated Press](#), 7/7/12)

CBO Reports That ObamaCare's New Taxes Will Cost Americans \$18 Billion In 2013. "Some tax provisions of the Affordable Care Act, including an increase in the tax rates on earnings and investment income for high-income taxpayers, are scheduled to take effect in January 2013. Those provisions will raise revenues in fiscal year 2013 by about \$18 billion." ("An Update To The Budget And Economic Outlook: Fiscal Years 2012 To 2022," [Congressional Budget Office](#), 8/22/12)

ObamaCare's Tax Hikes Will Become A Burden

\$317.7 Billion In New Income Taxes Over 10 Years. ("Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The 'Affordable Care Act,'" [Joint Committee On Taxation](#), 6/15/12)

- **"Starting In 2013, The Bill Adds An Additional 0.9% To The 2.9% Medicare Tax For Singles Who Earn More Than \$200,000 And Couples Making More Than \$250,000."** (Editorial, "Taxes Upon Taxes Upon...", [The Wall Street Journal](#), 7/11/11)
- **"For First Time, The Bill Also Applies Medicare's 2.9% Payroll Tax Rate To Investment Income, Including Dividends, Interest Income And Capital Gains."** (Editorial, "Taxes Upon Taxes Upon...", [The Wall Street Journal](#), 7/11/11)

- **High-Income Earners Will Pay Thousands In Medicare Payroll Taxes.** “High-income earners – families making more than \$250,000 – will pay several thousand dollars more in Medicare payroll taxes starting in 2013.” (“How The Health Care Overhaul Could Affect You,” [The New York Times](#), 3/21/10)

\$111 Billion From A “Whopping” 40 Percent Excise Tax On High Cost Employer-Sponsored Health Coverage. (“Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The ‘Affordable Care Act,’” [Joint Committee On Taxation](#), 6/15/12; Editorial, “Taxes Upon Taxes Upon...,” [The Wall Street Journal](#), 7/11/11)

- **High-End “Cadillac” Coverage Plans “Will Face A 40% Tax On Benefits Costing More Than \$10,200 For Individuals And \$27,500 For Families.”** (Joseph Rago, Op-Ed, “Lies, Damn Lies And The ObamaCare Sales Pitch,” [The Wall Street Journal](#), 10/18/10)
- **ObamaCare’s Tax On Health Insurance Would Hit Small Business Hardest.** “Small employers would also probably be hit by the taxes ... small businesses tend to pay more for their insurance than bigger employers that can negotiate better premiums ... About 14 percent of small employers, counted as those with fewer than 500 workers, now offer policies that would be subject to the excise tax ... ‘That is a very heavy hammer on the cost of your premiums,’ said Donna Marshall, the executive director of the Colorado Business Group on Health ... ‘You don’t want to cause a chilling effect on the employers who are trying to do the right thing.’” (Reed Abelson, “A Proposed Tax On The Cadillac Insurance Plans May Also Hit The Chevys,” [The New York Times](#), 9/20/09)
- **CMS: Employers Will Reduce Their Health Benefits For Employees In Reaction To The Tax.** “In reaction to the tax, which would take effect in 2018, many employers would reduce the scope of their health benefits. The resulting reductions in covered services and/or increases in employee cost-sharing requirements would induce workers to use fewer services.” (Richard S. Foster, “Estimated Financial Effects Of The ‘Patient Protection And Affordable Care Act,’ As Amended,” [CMS](#), 4/22/10)

\$101.7 Billion Over 10 Years From Health Insurance Tax (HIT) Which “Will Be Passed Along To Consumers In Higher Health-Care Costs.” (“Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The ‘Affordable Care Act,’” [Joint Committee On Taxation](#), 6/15/12; Editorial, “Taxes Upon Taxes Upon...,” [The Wall Street Journal](#), 7/11/11)

- **ObamaCare’s HIT Tax On Insurers Will Hamper Small Business.** “The 2010 health care law, the Patient Protection and Affordable Care Act (PPACA), hits small business with a barrage of inequities. Among the most egregious is the health insurance tax (HIT) launched by the law’s Section 9010. Ostensibly a tax on insurers, its real effect will be hundreds of billions of dollars of taxation on people who purchase coverage in the fully-insured market – mostly small business employers and employees and the self-employed...” (Robert F. Graboyes, “The HIT Hit: PPACA’s Health Insurance Tax,” [The Health Care Blog](#), 7/3/11)
- **“One Former Head Of The Congressional Budget Office, Doug Holtz-Eakin, Estimates That Over The Decade, The Tax Will Siphon \$5,000 From The Average Family. And That’s In Addition To What A Small Businesses Must Pay.”** (Dan Danner, President And CEO Of NFIB, “Hit Tax Endangers Small Business,” [NFIB](#), Accessed 10/31/12)

\$34.2 Billion Over 10 Years In New Taxes On Manufacturers And Importers Of Branded Drugs. (“Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The ‘Affordable Care Act,’” [Joint Committee On Taxation](#), 6/15/12)

- **The Tax Will Force Cut Backs On Research And Manufacturing.** “The tax won’t apply to devices generally sold straight to consumers such as hearing aids, but makers of the thousands of different devices used by physicians say the tax will force them to cut back on research and domestic manufacturing, among other consequences.” (Matt Evans, “Medical Device Makers Say New Sales Tax Will Hurt,” [The Business Journal](#), 7/22/11)

\$29.1 Billion Over 10 Years From A New 2.3 Percent Tax On Medical Device Manufacturers. (“Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The ‘Affordable Care Act,’” [Joint Committee On Taxation](#), 6/15/12)

- **According To The JCT, Enacting H.R. 436 Which Would Have Repealed The Medical Device Tax Would Have Reduced Revenues By \$29.1 Billion.** “Under current law, a tax of 2.3 percent will be imposed on the sale of medical devices by the manufacturer or importer. Medical devices that are regularly available at retail for individual use and not primarily intended for use by a medical professional are exempt from the tax. The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 436 would reduce revenues by \$29.1 billion over the 2012-2022 period.” (“H.R. 436, The Protect Medical Innovation Act Of 2012,” [The Congressional Budget Office](#), 6/4/12)
- **ObamaCare’s 2.3 Percent Tax On Medical Devices Is Negatively Affecting Businesses.** “Although the fate of the Obama administration’s health reform law is unclear — a U.S. Supreme Court ruling is at least months away — one aspect of the law, a 2.3 percent excise tax on medical devices, is having an immediate dampening effect. Locally, it’s the medical device startups and early-stage businesses that are affected.” (Tom Tobin, “Health Care: The Everywhere Issue,” [The Rochester Democrat And Chronicle](#), 9/25/11)
- **Medical Device Company Executives Find That ObamaCare Medical Device Tax Will Hurt Manufacturers.** “Executives in the medical device manufacturing industry predict that a new excise tax and the burden of its related compliance costs will hurt their companies’ bottom lines, according to a survey conducted by KPMG LLP, an audit, tax, and advisory firm.” (Chris Reidy, “KPMG Survey: New Tax Could Hit Medical Device Companies Hard,” [The Boston Globe](#), 4/18/12)
 - **Nearly Half Of Those Executives Polled Said They Planned To Cut Costs And May Lay-Off Workers To Comply With The Tax.** “According to the survey of 190 financial executives from the medical device manufacturing industry, 40 percent of respondents said their companies are already contemplating actions such as price increases and cost reductions, including possible layoffs, as a way to stay competitive.” (Chris Reidy, “KPMG Survey: New Tax Could Hit Medical Device Companies Hard,” [The Boston Globe](#), 4/18/12)
- **Report Finds That The Medical Device Industry Would Have One Of The Highest Tax Rates In The World.** “Wednesday’s report says the tax will double the total tax burden on device-makers and ‘raise the average effective corporate income tax rate to one of the highest effective tax rates faced by any industry in the world.’” (Sam Baker, “Device-Makers Say Tax Will Cost 43,000 U.S. Jobs,” [The Hill’s Health Watch](#), 9/7/11)
- **Due To The Medical Device Tax In ObamaCare “Many Companies Will Owe More In Taxes Than They Generate In Profits, Requiring Companies To Layoff Employees.”** “MDMA is very concerned about the impact a \$20B device tax will have on patient care, innovation and small businesses. . . . Under the current structure, many companies will owe more in taxes than they generate in profits, requiring companies to layoff employees, cut R&D budgets and slow the development of new therapies that will improve the quality of care for all Americans. Moving forward, these issues must be addressed before the tax takes effect in 2013.” (Medical Device Manufacturers Association Website, “House Health Care Bill Passes,” [medicaldevices.org](#), 3/21/10)
- **“The Tax Likely Will Have Its Greatest Impact On Small And Mid-Size Companies, Particularly Those Developing New Technologies, [Phillip] Seligman [Of Standard & Poor’s] Wrote.”** (Ben Sutherly, “Medical-Device Makers Fight Tax,” [The Columbus Dispatch](#), 5/15/12)
- **AdvaMed Report Said ObamaCare’s Medical Device Tax Could Force “43,000 Jobs Overseas.”** “The Advanced Medical Technology Association (AdvaMed) released a report Wednesday that says device-makers might ship 43,000 jobs overseas once the tax takes effect in 2013.” (Sam Baker, “Device-Makers Say Tax Will Cost 43,000 U.S. Jobs,” [The Hill’s “Health Watch”](#), 9/7/11)

- **Hudson Institute Study Found That The Tax Will Force The Medical Device Industry To Cut 45,700 U.S. Workers.** “The 21-page study projects the tax roughly will double the corporate tax bill on the medical device industry, causing it to shift 10 percent of its production to low-tax offshore sites and shrink its U.S. employment by 11 percent, or 45,700 workers.” (Jeff Swiatek, “Medical Device Debate: Will Tax Spur Jobs Or Stunt Innovation?” [The Indianapolis Star](#), 9/27/11)
- **Massachusetts Medical Device Companies Said “The Tax Could Stifle Innovation, Drive Jobs Overseas, And Force Them To Raise Prices.”** “On the same day, Patrick hosted more than a dozen representatives from the Massachusetts medical device industry at the State House. They told him the tax could stifle innovation, drive jobs overseas, and force them to raise prices. Richard A. Packer, chief executive of defibrillator maker Zoll Medical Corp., based in Chelmsford, has met with Brown and Patrick to discuss the issue. ‘I think the medical device bill is ill-conceived, and is not a good part of the legislation,’ he said. ‘I’m in favor of repealing it in total, or going in and seeing how it can be adjusted.’” (D.C. Denison, “Repeal Of Medical Devices Tax Unlikely,” [The Boston Globe](#), 4/3/10)
- **Adarza Biosystems Inc. CEO Rand Henke: Medical Device Tax Is Keeping Adarza From Expanding.** “The company has been sustained to this point by National Institutes of Health grants and some contracts. But Adarza wants to get to the next level, large-scale production, and that will require a major corporate partner. The threat of a medical device excise tax, amid other economic barriers, has kept that critical deal from happening. ‘The money lost from the consequences of that tax exceeds what will be raised,’ Henke said.” (Tom Tobin, “Health Care: The Everywhere Issue,” [The Rochester Democrat And Chronicle](#), 9/25/11)
- **ObamaCare’s Tax On Medical Devices Will Keep “The World’s Largest Privately Owned Medical Device Company” From Expanding.** “It will cost Cook, the world’s largest privately owned medical device company, about \$17 million of its \$1 billion in annual U.S. sales. [Kem Hawkins – President of Cook Group Inc.]Hawkins said. ‘That’s a plant a year that we’re not able to invest in. Or it’s a large clinical study that we can’t invest in. Or it’s maybe 10 or 12 or 15 new product innovations that we can’t reinvest in,’ Hawkins said. ‘If we can’t build the plants, then we can’t hire the people.’” (Tony Pugh, “Medical Device Makers Push Congress To Repeal Excise Tax,” [McClatchy](#), 9/22/11)
- **ObamaCare’s Medical Device Tax Is Causing Michigan-Based Medical Device Manufacturer Stryker To Cut Five Percent Of Its Workforce – Approximately 1,000 Employees.** “Stryker, the Kalamazoo-based maker of artificial hips and knees, will cut 5% of its global workforce by the end of next year to reduce costs in the face of new fees on device makers required by the U.S. health care law. The job cuts will reduce annual pretax operating costs by more than \$100 million beginning in 2013, when the medical-device excise tax is scheduled to take effect, Stryker said Thursday in a statement. Stryker had more than 20,000 employees as of Dec. 31, according to Bloomberg News data.” (“Stryker To Cut 5% Of Workforce,” [Detroit Free Press](#), 11/11/11)
- **An Indiana Medical Device Manufacturer Plans To Lay Off Workers Due To ObamaCare’s Medical Device Tax.** “Zimmer Holdings (NYSE:ZMH) announced layoffs at its Warsaw, Ind., headquarters, pointing to the expected burden of the medical device tax as partly responsible for some of the losses. The orthopedics device maker plans to offset the entire burden posed by the impending 2.3% device levy in 2013 through cost-cutting efforts, part of which include layoffs.” (Arezu Sarvestani, “Zimmer Axes Jobs To Cut Costs Ahead Of Med-Tech Tax,” [Mass Device](#), 3/6/12)

\$18.7 Billion Over 10 Years In New Taxes On People With High Annual Out-Of-Pocket Medical Expenses By “Raising The Floor On Allowable Medical Deductions To 10%.” “Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The ‘Affordable Care Act,’” [Joint Committee On Taxation](#), 6/15/12)

\$24 Billion In New Taxes Over 10 Years By Limiting Flex Spending Accounts. ("Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The 'Affordable Care Act,'" [Joint Committee On Taxation](#), 6/15/12)

Flexible Spending Plans, Which Lower Out Of Pocket Expenses, "Will Be Cut In Half" By ObamaCare. "To pay for this sweeping reform, here's what will change: Those tax-free flexible spending accounts will be cut in half. They reimburse some medical bills not covered by insurance. The new cap: \$2,500 ... Starting in 2013, individuals earning more than \$200,000 a year - and families earning more than \$250,000 - will pay almost one percent more on their Medicare payroll tax." (Mark Strassmann, "Already Insured? Get Ready To Pay More," [CBS News](#), 3/22/10)

- **Even Though HSAs Help Americans Save Money.** "A consumer-directed health plan is an insurance coverage with a high deductible that is typically combined with a health-savings account, the tax-advantaged product that is either funded by the employer or by regular contributions from employees ... According to a recently released study of health care claims ... employers who offered health savings or reimbursement plans saved \$21 million per 10,000 members over a five-year period. Employers who offered the plans as an option experienced savings of \$7 million per 10,000 members over the five-year period, according to the company's survey." (Greg Bordonaro, "Consumer-Directed Health Plans Gain," [Hartford Business](#), 7/6/09)
- **The Rule Affects More Than 20 Million Americans.** "The trend, triggered by the 2010 health-care law, affects more than 20 million Americans with flexible spending or health savings accounts that let them use pretax dollars for medical needs. A U.S. rule that took effect Jan. 1 taxes purchases of over-the-counter drugs except for insulin unless the patient has a prescription, generating \$5 billion through 2019, according to the congressional Joint Committee on Taxation." (Jeffrey Young, "Doctors Hit By Aspirin Demands As Health Law Restricts Accounts," [Bloomberg](#), 8/23/11)
- **ObamaCare's Restrictions On Flexible Spending Accounts Will Drive Up Medical Costs And Create Unnecessary Work.** "Doctors pharmacists, insurers and drug companies say while it may generate money to help expand coverage for the uninsured, the measure is driving up medical costs and creating unnecessary work." (Jeffrey Young, "Doctors Hit By Aspirin Demands As Health Law Restricts Accounts," [Bloomberg](#), 8/23/11)
- **A Tax On Health Savings Accounts And Flexible Spending Accounts Will Raise Taxes On The Middle-Class.** "Other provisions directly affecting individuals and families with incomes below \$200,000 and \$250,000, respectively include the increase in additional tax on distributions from health savings accounts and flexible spending arrangements not used for medical expenses and limitations on health flexible spending arrangements in cafeteria plans." (Joint Committee On Taxation, [Letter To Senator Tom Coburn](#), 3/20/12)

\$4.5 Billion Over 10 Years In Increased Penalties For Early Withdrawals From Health Savings Accounts. ("Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The 'Affordable Care Act,'" [Joint Committee On Taxation](#), 6/15/12)

\$4 Billion Over 10 Years From New Taxes On Americans Who Save For Their Health Costs. "Conform the definition of medical expenses for health savings accounts, Archer MSAs, health flexible spending arrangements, and health reimbursement arrangements to the definition of the itemized deduction for medical expenses (excluding over-the-counter medicines prescribed by a physician)" ("Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The 'Affordable Care Act,'" [Joint Committee On Taxation](#), 6/15/12)

\$3.1 Billion Over 10 Years In New Taxes On Retiree's Prescription Drug Plans. ("Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The 'Affordable Care Act,'" [Joint Committee On Taxation](#), 6/15/12)

- **Survey Finds That 73 Percent Of Companies Will Alter Their "Retiree Drug Benefits Strategy."** "As for companies in the survey that pay a portion of health coverage for their retirees

age 65 or older, three-quarters currently collect the Retiree Drug Subsidy (RDS). Of those, 73 percent said they are altering their retiree drug benefits strategy, as health reform eliminates the RDS tax advantages for 2013, and creates enhancements to the Medicare Part D program for retiree drug benefits beginning in 2011.” (“Report Shows Potential Impact Of Health Care Reform On Retiree Medical Programs,” J.J. Keller’s HR Advantage, 4/25/11)

\$1.5 Billion Over 10 Years By Imposing A “10% Excise Tax On Indoor Tanning Services.” (“Estimated Revenue Effects Of A Proposal To Repeal Certain Tax Provisions Contained In The ‘Affordable Care Act,’” [Joint Committee On Taxation](#), 6/15/12)

- **3,100 Businesses Have Closed Following The Enforcement Of The Tanning Tax.** “‘This tax has been a serious hardship on our industry,’ said Dan Humiston, president of the tanning association. He estimated it could hit as many as 18,000 tanning businesses across the country, and said 3,100 businesses have closed since the tax was put into place last July.” (Vicki Needham, “GOP Targets Tanning Tax,” *The Hill’s Health Watch*, 6/8/11)
- **Tanning Tax Has Cost 24,000 Jobs.** “Humiston said that led to 24,000 job losses. Humiston also said many member-companies are being audited because of the new tax, which has created another hardship.” (Vicki Needham, “GOP Targets Tanning Tax,” *The Hill’s Health Watch*, 6/8/11)
- **So Far, The Tanning Tax Revenues Are Much Lower Than Projected.** “Revenue from a 10 percent excise tax on indoor tanning services mandated by the 2010 health-care overhaul law is falling short of projections, a government watchdog reported today.” (Andrew Zajac, “Tanning Tax Income Pales Compared With Estimate, Audit Finds,” [Bloomberg](#), 10/13/11)
- **Since ObamaCare Was Enacted, The Tanning Tax Has Only Contributed \$54.4 Million Towards The \$2.6 Trillion Cost Of ObamaCare.** “The tax brought in \$17.8 million in the last quarter of the 2010 fiscal year and \$36.6 million in the first half of fiscal 2011, according to the report by J. Russell George, the Treasury Department’s inspector general for tax administration.” (Andrew Zajac, “Tanning Tax Income Pales Compared With Estimate, Audit Finds,” [Bloomberg](#), 10/13/11; Office Of The Speaker Of The U.S. House Of Representatives, [Report](#), 1/6/11)

ObamaCare Is Causing Headaches For The Internal Revenue Service (IRS)

IRS: Agency Does Not Have the “Structure Or Funding To Effectively Oversee Social Programs.”

“The new federal health-care law may pose compliance challenges for taxpayers and the Internal Revenue Service, an IRS ombudsman reported Wednesday. The agency, which will be responsible for administering major aspects of health insurance finance, is neither structured nor funded to effectively oversee social programs, the National Taxpayer Advocate Service said in a news release.” (David S. Hilzenrath, “Health Care Law May Pose Challenges For IRS, Taxpayers,” [The Washington Post](#), 7/7/10)

- **IRS: “Health Care Reform Will Likely Be The Most Extensive Social Benefit Program The IRS Has Been Asked To Implement In Recent History.”** (Taxpayer Advocate, “Report To Congress: Fiscal Year 2011,” [IRS](#), p. 27)

IRS: Agency Will Need More Money and Resources To Implement Health Care Reform. “From an internal perspective, it is essential that all areas of the IRS understand how implementation is progressing in order to identify potential areas of concern, maximize resources, and prevent duplication. Such transparency will also assist the IRS as it coordinates its implementation efforts with those of other government agencies and will enhance the credibility and accountability of the IRS when it seeks the resources necessary to administer a program of this scope.” (Taxpayer Advocate, “Report To Congress: Fiscal Year 2011,” [IRS](#), p. 27)

IRS: “One Of The Difficulties Of The IRS’s Implementation Efforts Is That The IRS Is Being Asked To Implement Decisions Of Other Agencies.” (Taxpayer Advocate, “Report To Congress: Fiscal Year 2012,” [IRS](#), p. 22)

Half Of ObamaCare's \$1 Billion "Slush Fund" To Be Given To The Internal Revenue Service. "The law contains dozens of targeted appropriations to implement specific provisions. It also gave the Department of Health and Human Services (HHS) a \$1 billion implementation fund, to use as it sees fit. Republicans have called it a 'slush fund.' HHS plans to drain the entire fund by September — before the presidential election, and more than a year before most of the health care law takes effect. Roughly half of that money will ultimately go to the IRS." (Sam Baker, "White House Has Diverted \$500M To IRS To Implement Health Care Law," *The Hill's Health Watch*, 4/9/12)

- **"Going Outside The Normal Appropriations Process," Obama Is "Quietly Diverting Roughly \$500 Million" To The Internal Revenue Service To Implement ObamaCare.** "The Obama administration is quietly diverting roughly \$500 million to the IRS to help implement the president's health care law. The money is only part of the IRS's total implementation spending, and it is being provided outside the normal appropriations process. The tax agency is responsible for several key provisions of the new law, including the unpopular individual mandate." (Sam Baker, "White House Has Diverted \$500M To IRS To Implement Health Care Law," *The Hill's Health Watch*, 4/9/12)

The IRS Plans "To Hire More Than 300 New Employees" To Collect New Taxes. "The health care law includes a slew of new taxes and fees, some of which are already in effect. The tax agency wants to hire more than 300 new employees next year to cover those tax changes, such as the new fees on drug companies and insurance policies." (Sam Baker, "White House Has Diverted \$500M To IRS To Implement Health Care Law," *The Hill's Health Watch*, 4/9/12)

- **An Additional 537 Employees Are Needed At The IRS To Enforce Low Income Tax Subsidies.** "The IRS will also administer the most expensive piece of the new law — subsidies to help low-income people pay for insurance, which are structured as tax credits. The agency asked Congress to fund another 537 new employees dedicated to administering the new subsidies." (Sam Baker, "White House Has Diverted \$500M To IRS To Implement Health Care Law," *The Hill's Health Watch*, 4/9/12)

ObamaCare's Small Business Tax Credits Are A Disappointment

Paying For ObamaCare Tax Credits Will Increase Number Of Households That Do Not Contribute To Government. "The tax credits in the Patient Protection and Affordable Care Act will substantially increase the number of households that do not contribute to the cost of government. In fact, as a direct result of these credits, the number of households without any federal income tax liability likely will exceed half of all American households. If this happens, it may be very difficult to ever get a handle on out-of-control government spending." (Brian Blasé And Paul Winfree, Op-Ed, "Health Care Legislation Will Take Millions Off Tax Rolls," *The Atlanta Journal-Constitution*, 7/19/11)

Tax Credits Create Incentives For Employers To Stop Offering Coverage. "Of course, the generosity of the tax credits creates the incentive for employers to stop offering coverage at work. Many employees will gladly accept the trade-off of using the credits to buy health coverage on their own, especially if their employer — who is no longer paying for their insurance — can offer them a raise." (Brian Blasé And Paul Winfree, Op-Ed, "Health Care Legislation Will Take Millions Off Tax Rolls," *The Atlanta Journal-Constitution*, 7/19/11)

"The Small-Business Tax Credit Has Not Lived Up To Expectations." (Sam Baker, "GAO: Health Law's Tax Credits Too Small To Entice Small Businesses," *The Hill's Health Watch*, 5/21/12)

- **ObamaCare's Small Business Tax Credit Has Been A "Disappointment."** "It seemed like a good idea at the time. But a health insurance tax credit for small businesses, part of President Barack Obama's health care law that gets strong support in public opinion polls, has turned out to be a disappointment." (Ricardo Alonso-Zaldivar, "Obama's Health Care Aid To Small Firms Disappoints," *The Associated Press*, 5/30/12)

The Tax Credit Was Intended To Help Small Businesses Cover Their Employee's Health Insurance Premiums. "The tax credit is part of the Patient Protection and Affordable Care Act of 2010 and is

supposed to help small businesses as they experience health care reform. Companies eligible for the tax credit are those that have 25 workers or fewer, pay average salaries of \$50,000 or less and cover at least half of employee health insurance premiums.” (Jose Pagliery, “The Health Care Tax Credit Few Are Taking,” [CNNMoney](#), 3/20/12)

Congressional Budget Office Report Found That Small Businesses Signing Up For The Credit Are Less Than Estimated. “In the current estimates, CBO and JCT reduced the projected cost of small business tax credits to reflect preliminary tax data showing that small businesses have been slower to take advantage of the credits than originally estimated.” (“Updated Estimates For The Insurance Coverage Provisions Of The Affordable Care Act,” [Congressional Budget Office](#), 3/13/12)

- **The Small Business Tax Credit Was “Claimed By Only 170,300 Businesses Out Of A Pool Of As Many As 4 Million Companies.”** “Time-consuming to apply for and lacking enough financial reward to make it attractive, the credit was claimed by only 170,300 businesses out of a pool of as many as 4 potentially eligible million companies in 2010.” (Ricardo Alonso-Zaldivar, “Obama’s Health Care Aid To Small Firms Disappoints,” [The Associated Press](#), 5/30/12)

The Tax Credit Is Too Confusing To Help Small Business Owners Save On Their Health Care Costs. “The health care tax credit is supposed to help small companies, but it’s so confusing that many owners are forgoing the extra cash. How much? Twenty billion dollars over 10 years, according to the Congressional Budget Office.” (Jose Pagliery, “The Health Care Tax Credit Few Are Taking,” [CNNMoney](#), 3/20/12)

- **Signing Up For The Tax Credit Is “Complicated” And “It Actually Reduces Federal Help If A Firm Insures More Employees.”** “But it has become an accounting odyssey few business owners are willing to take. The program’s complicated formula has some unusual features including counting some workers as 1/15th of an employee. Even more befuddling: It actually reduces federal help if a firm insures more employees.” (Jose Pagliery, “The Health Care Tax Credit Few Are Taking,” [CNNMoney](#), 3/20/12)
- **To Claim The Credit, Employers Must Complete “25 Lines And Seven Worksheets” Provided By The IRS, Taking Hours To Finalize Their Claim.** “Complexity has been another obstacle. IRS Form 8941, which employers must complete to claim the credit, has 25 lines and seven worksheets, the GAO said. Some tax preparers told the agency it took clients from two to eight hours to pull together supporting information and tax professionals another three to five hours to calculate the credit.” (Ricardo Alonso-Zaldivar, “Obama’s Health Care Aid To Small Firms Disappoints,” [The Associated Press](#), 5/30/12)

Small Business Owners And Insurance Brokers Have Not Been Interested In The Credits Because They Are “Too Small.” “GAO said it couldn’t pin down the number of eligible businesses, but it said interest has been limited in part because the credit is too small. It’s not big enough to change the minds of companies that aren’t offering healthcare coverage, GAO said, citing interviews with small businesses and insurance brokers.” (Sam Baker, “GAO: Health Law’s Tax Credits Too Small To Entice Small Businesses,” [The Hill’s Health Watch](#), 5/21/12)

- **The Government Accountability Office Found That The Credit Isn’t Big Enough To Prompt Employers To Provide Health Care Coverage.** “Tax credits in President Obama’s health care law aren’t big enough to prompt small businesses to start offering healthcare benefits, the Government Accountability Office said Monday.” (Sam Baker, “GAO: Health Law’s Tax Credits Too Small To Entice Small Businesses,” [The Hill’s Health Watch](#), 5/21/12)
- **The Credit “May Not Be Enough To Justify A New Outlay For Health Insurance Premiums.”** ““While some small employers could be eligible for the credit if they began to offer health insurance, small business group representatives and discussion group participants told us that the credit may not offset costs enough to justify a new outlay for health insurance premiums,’ GAO said.” (Sam Baker, “GAO: Health Law’s Tax Credits Too Small To Entice Small Businesses,” [The Hill’s Health Watch](#), 5/21/12)

- **A Small Business Administration Study Found That ObamaCare's Health Insurance Tax Credit May Not Spur Small Businesses To Offer Health Care.** "A new study by the Small Business Administration shows the health insurance tax credit, effective starting in the 2010 tax year, may not be enough incentive for small businesses to offer their employees health care. Only about two-thirds -- 2.6 million of the 4 million eligible small businesses -- will benefit from the health insurance tax credit included in the Patient Protection and Affordable Care Act of 2010, according to the study." (Janean Chun, "Is The Tax Credit Enough To Boost Small Business Health Care?" [The Huffington Post](#), 9/20/11)

The Credit Has Failed To "Encourage Employers" To Provide Health Care Coverage. "But accountants and business owners say the credit fails to do what the IRS describes as the program's goal: encourage employers to keep providing health insurance coverage or start doing so." (Jose Pagliery, "The Health Care Tax Credit Few Are Taking," [CNNMoney](#), 3/20/12)

The Obama Administration Is Now In "An Awkward Position Of Asking Congress To Help Fix The Problems." "That's put the Obama administration in the awkward position of asking Congress to help fix the problems by allowing more businesses to qualify and making it simpler to apply." (Ricardo Alonso-Zaldivar, "Obama's Health Care Aid To Small Firms Disappoints," [The Associated Press](#), 5/30/12)

- **If The Congress Adopts The Obama Administrations Proposals To Streamline The Credit, It Will Cost "An Estimated \$14 Billion That Has To Be Offset With Cuts Elsewhere."** "As it stands now, the credit is only temporary, expiring in 2016. That's another reason Congress appears unlikely to adopt the administration's proposed fixes, which would cost an estimated \$14 billion that has to be offset with cuts elsewhere." (Ricardo Alonso-Zaldivar, "Obama's Health Care Aid To Small Firms Disappoints," [The Associated Press](#), 5/30/12)

The Tax Base Will Shrink And ObamaCare Will Drive Up Government Spending And Budget Deficits. "As more employers dump their health insurance plans, the tax base will shrink as additional households take advantage of the credits. This is the primary reason the Patient Protection and Affordable Care Act will drive up future government spending and budget deficits." (Brian Blasé And Paul Winfree, Op-Ed, "Health Care Legislation Will Take Millions Off Tax Rolls," [The Atlanta Journal-Constitution](#), 7/19/11)

OBAMACARE IS DEVASTATING TO JOB CREATION

UBS Investment Research: "Arguably The Biggest Impediment To Hiring (Particularly Of Less Skilled Workers) Is Health Care Reform, Which Has Added The Drawback Of Straining State And Federal Budgets." (UBS, "Great Suppression II," [UBS Investment Research](#), 9/19/11)

- **ObamaCare Is Preventing Small Businesses From Expanding.** "The new law requires most businesses to provide a generous 'essential' package of benefits, which is beyond what many small businesses provide today. It subjects businesses to highly complex rules that increase the cost risk, and 'hassle factor' of adding payrolls. Companies that do offer insurance can be fined if low-income employees take a government-subsidized plan. All firms with more than 50 workers must provide benefits, which creates an incentive for smaller firms to stay 'under the limit' by expanding overseas, outsourcing, or dividing into two companies." (UBS, "Great Suppression II," [UBS Investment Research](#), 9/19/11)
- **"The Lack Of Clarity About The Cost Implications" Of ObamaCare Is An Impediment For Companies To Begin Hiring.** "In addition to slow and uncertain revenue growth, contacts in this recovery are frequently citing a number of other factors that are impeding hiring. Prominent among these is the lack of clarity about the cost implications of the recent health care legislation." (Dennis Lockhart, "Business Feedback On Today's Labor Market," [Federal Reserve Bank of Atlanta](#), 11/11/10)

74 Percent Of Small Business Owners Blame ObamaCare For Hurting Job Creation. “As part of the explanation for the general economic pessimism, 78 percent of small businesses believe that taxation, regulation and legislation from Washington make it harder for businesses to hire more employees — and 74 percent blame the recent health care reforms passed by the Obama administration for creating an impediment to job creation.” (Tim Mak, “Chamber Poll: Small Biz Blames D.C.,” [Politico](#), 1/18/12)

- **ObamaCare Is Leading To “Fewer Jobs.”** “What is the impact of regulation and the new health care law? Fewer jobs. Seventy-eight percent of small businesses surveyed report the taxation, regulation and legislation from Washington makes it harder for their business to hire. And, 74% say the recent health care law makes it more difficult to hire additional employees.” (“Small Business Community Quarterly Survey,” [US Chamber Of Commerce](#), 1/18/12)

CBO: Penalizing Businesses That Do Not Provide Full-Time Employees Insurance Will Encourage Businesses To Cut Hours And Salaried Positions. “Alternatively, because firms are penalized only if their full-time employees receive subsidies from exchanges, some firms may instead hire more part-time or seasonal employees.” (“The Budget and Economic Outlook: An Update,” [Congressional Budget Office](#), 8/19/10)

“CBO Director Douglas Elmendorf Told The House Budget Committee On Thursday That The Health Care Law Will Reduce Employment By 0.5 Percent By 2021 Because Some People Will No Longer Have To Work Just To Afford Health Insurance.” (J. Lester Feder And Kate Nocera, “CBO: Health Law To Shrink Workforce By 800,000,” [Politico](#), 2/10/11)

- **ObamaCare Will Shrink The National Workforce By 800,000.** “CBO Director Douglas Elmendorf told the House Budget Committee on Thursday that the health care law will reduce employment by 0.5 percent by 2021 because some people will no longer have to work just to afford health insurance.” (J. Lester Feder And Kate Nocera, “CBO: Health Law To Shrink Workforce By 800,000,” [Politico](#), 2/10/11)
- **CBO Director Douglas Elmendorf:** “That means that if the reduction in the labor used was workers working the average number of hours in the economy and earning the average wage, that there would be a reduction of 800,000 workers.” (J. Lester Feder And Kate Nocera, “CHO: Health Law To Shrink Workforce By 800,000,” [Politico](#), 2/10/11)

Michael C. Gibbons, Chairman Of The National Restaurant Association: “The Cost Of Health Care Reform Will Be Devastating To Our Industry.” (Robert Pear, “Study Points to Health Law’s Penalties,” [The New York Times](#), 5/23/10)

Home Depot Co-Founder Bernie Marcus: “As [Obama] speaks about cutting regulations, they are now producing thousands of pages of new ones. With just ObamaCare by itself, you have a 2,000 page bill that’s probably going end up being 150,000 pages of regulations.” (John Merline, “Home Depot Co-Founder: Obama Is Choking Recovery,” [Investors Business Daily](#), 7/20/11)

Then-Speaker Nancy Pelosi Said That ObamaCare Would Create 4 Million Jobs And 400,000 Almost Immediately. PELOSI: “It’s about jobs. In it’s life, it will create 4 million jobs – 400,000 jobs almost immediately.” (Speaker Nancy Pelosi, [Remarks At Bipartisan Meeting On Health Care Reform](#), Washington, D.C., 2/25/10)

THE OBAMA ADMINISTRATION HAS GRANTED WAIVERS TO PREVENT THE LOSS OF COVERAGE AND INCREASES IN PREMIUMS

ObamaCare’s Elimination Of Annual Coverage Caps On Mini-Med Plans Which “Could Strip More Than 1 Million People Of Their Insurance Coverage, Violating A Key Goal Of President Barack Obama’s Reforms.” “Part of the health care overhaul due to kick in this September could strip more than 1 million people of their insurance coverage, violating a key goal of President Barack Obama’s reforms. Under the provision, insurance companies will no longer be able to apply broad annual caps on the

amount of money they pay out on health policies. Employer groups say the ban could essentially wipe out a niche insurance market that many part-time workers and retail and restaurant employees have come to rely on.” (Jennifer Haberkorn, “Health Law Could Ban Low-Cost Plans,” [Politico](#), 6/8/10)

GAO Report Finds Waivers Had To Be Issued From HHS To Avoid “Significant Increase In Premiums.” “The GAO said the Department of Health and Human Services had received 1,415 waiver applications, some of them covering multiple plans, as of April 25. It approved 1,347 - more than 95 percent - of the applications in their entirety, while rejecting 25 in part and 40 in whole. ‘We[GAO] found that (the Center for Consumer Information and Insurance Oversight) granted waivers mostly for applications that projected the annual limit restriction would result in a significant premium increase of more than 10 percent, in addition to a significant decrease in access to benefits,’ the report said. ‘Conversely, most of the denied applications projected a premium increase of 6 percent or less.’” (Julian Pecquet, “Audit Doesn’t Fault Health Care Reform Waivers,” [The Hill’s Health Watch](#), 6/14/11)

- **Eliminating Caps This Year “Would Have Caused Mini-Med Premiums To Rise By More Than 200 Percent, Forcing Employers To Drop Coverage.”** “Nearly 1.7 million Americans are on plans that have annual caps below \$750,000. Estimates from employers and insurers indicated that phasing out annual limits in 2010 would have caused mini-med premiums to rise by more than 200 percent, forcing employers to drop coverage and sending many low-wage workers to purchase insurance on the more expensive individual insurance market.” (Bob Semro, “Waivers In Health Care Law Often Misrepresented, Misunderstood,” [The Huffington Post](#), 6/22/11)

As A Result, The Department Of Health And Human Services Has Had To Grant 1,722 Waivers From The New Requirement Covering Over 4 Million Individuals. (“Annual Limits Policy: Protecting Consumers, Maintaining Options, And Building A Bridge To 2014,” [HHS](#), Accessed 10/31/12)

Obama Promised No One Would Lose Their Coverage Under ObamaCare, But Waivers Were Needed To Avoid People Losing Their Health Care Plans. “The big political issue here is the president promised no one would lose the coverage they’ve got,’ says Robert Laszewski, chief executive officer of consulting company Health Policy and Strategy Associates. ‘Here we are a month before the election, and these companies represent 1 million people who would lose the coverage they’ve got.’” (Drew Armstrong, “McDonald’s, 29 Other Firms Get Health Care Coverage Waivers,” [USA Today](#), 10/7/10)

Seven States Have Received ObamaCare Waivers For Issuers Who Are Unable To Meet ObamaCare’s Mandated Medical-Loss Ratio. (Centers For Medicare & Medicaid Services, [HHS](#), Accessed 10/31/12)

- **The Waivers Were Granted In Response To Requirements Placed On Issuers Of State-Mandated Policies.** “States may apply for a waiver of the annual dollar limit requirements on behalf of issuers of State-mandated policies if State law required the policies to be offered by the issuers prior to September 23, 2010.” (Centers For Medicare & Medicaid Services, [HHS](#), Accessed 10/31/12)

2,255,307 Union Workers Have Plans That Received Waivers From ObamaCare. (“Annual Limits Policy: Protecting Consumers, Maintaining Options, And Building A Bridge To 2014,” [HHS](#), Accessed 10/31/12)

- **Unions Say They Need Relief From ObamaCare So That Employees Can Keep Their Coverage.** “Some of its chapters have obtained waivers, the union concedes, but notes the waivers were anticipated by Democrats who passed the law. ‘The waiver process is a key part of health care reform because it helps ensure that workers won’t lose their employer-provided health coverage,’ SEIU states on its website.” (Alexander Bolton, “SEIU Fights Health Care Repeal After Obtaining Waivers From Law,” [The Hill](#), 2/2/11)

Labor Unions Have Been The Primary Recipients Of ObamaCare Waivers. “Labor unions continued to receive the overwhelming majority of waivers from the president’s health care reform law since the

Obama administration tightened application rules last summer.” (Paul Conner, “Labor Unions Primary Recipients of ObamaCare Waivers,” [The Daily Caller](#), 1/7/12)