



Just the Facts: The Affordable Care Act

MYTH: The Affordable Care Act increases costs.

FACT: The Affordable Care Act Cuts Costs By Making Health Care More Modernized And Efficient, Saving Money.

- "System modernization—preventing illness, reducing administrative costs with health information technology, and coordinating care—will save \$406 billion across the entire health care system and \$127 billion in Medicare. That is a total of \$524 billion saved over 10 years."
- The Medicare savings will lower beneficiaries' Part B premiums by nearly \$200 annually by 2018.
- The Affordable Care Act lowers family costs an estimated \$2,500 in 2019. [Commonwealth Fund, May 2010]

MYTH: The Affordable Care Act will bust the budget.

FACT: The Affordable Care Act Cuts The Deficit By An Estimated \$1.2 Trillion Over Next 20 Years.

- The Affordable Care Act will cut the deficit by \$143 billion in the first decade and \$1.2 trillion in the next decade. [Center for American Progress, 6/29/10]

MYTH: The Affordable Care Act hurts Medicare and seniors.

FACT: The Affordable Care Act Will Close The Medicare Prescription Drug "Donut Hole."

- Seniors in the donut hole will get a \$250 check this year.
- Drug discounts in 2011 could save seniors as much as \$1,500.
- The Affordable Care Act will completely phase out the donut hole by 2020.

FACT: The Affordable Care Act Allows Seniors To Receive An Annual Checkup At No Cost and Most Preventive Services Without Co-payments.

- Affordable Care Act requires Medicare to cover free annual comprehensive wellness visit.

FACT: The Affordable Care Act Will End Overpayments To Big Insurance Companies.

- Prior to The Affordable Care Act, Medicare Advantage overpaid private insurance companies by 14 percent.

FACT: The Affordable Care Act Extends Medicare's Solvency By 12 Years.

- The Medicare savings will lower beneficiaries' Part B premiums by nearly \$200 annually by 2018.

MYTH: The Affordable Care Act will increase premiums.

FACT: The Affordable Care Act Will Cut Premiums For Most People.

- Congressional Budget Office: The majority of those who purchase insurance on the individual market would pay 59 Percent less than under current law. [CBO, 11/30/09]
- The Affordable Care Act lowers family costs an estimated \$2,500 in 2019. [Commonwealth Fund, May 2010]



MYTH: The Affordable Care Act Will Hurt Small Businesses.

FACT: The Affordable Care Act Will Help Small Businesses

- The new law provides tax credits to small businesses to make employee coverage more affordable. Tax credits of up to 35% of premiums will be immediately available to firms that choose to offer coverage.
- Beginning in 2014, the small business tax credits will cover 50 percent of premiums.

MYTH: The Affordable Care Act is unconstitutional.

FACT: The Affordable Care Act IS constitutional. Legal Scholars Agree That The Charges Of “Unconstitutionality” Are Without Legal Merit.

- Congress has the power to regulate interstate commerce according to the US Constitution. Individuals who do not purchase insurance actually self-insure (by assuming they will cover costs out-of-pocket) and therefore cumulatively affect commerce. Congress has the power to regulate their conduct in order to make insurance reform work for everyone.
- Congress has the power to tax and spend: the requirement to have health insurance is structured as a tax and gives individuals a choice whether to pay taxes or purchase health insurance.

MYTH: The Affordable Care Act’s requirement that everyone has insurance is taking away our freedoms.

FACT: Having Health Insurance Is Necessary To Keep Everyone Safe, Healthy and Sharing In The Responsibility Of Paying For Their Own Health Care Costs.

- Repealing the shared responsibility (the individual mandate) would increase health insurance costs for individuals and small businesses, particularly to those who need it most.
- The repeal lawsuits are the first step to unraveling the Affordable Care Act, meaning insurance would once again be able to drop your coverage whenever they felt like it and deny you coverage for any number of reasons.
- Repealing the shared responsibility provision means individuals would wait to get health coverage until they get sick and continue to pass their costs along to the rest of us.

MYTH: The Affordable Care Act is a bailout for insurance companies.

FACT: The Affordable Care Act bans some of worst practices of insurance companies and requires increase oversight and regulation.

- Requires plans in the individual and small group market to spend 80 percent of premium dollars on medical services, and plans in the large group market to spend 85%. Insurers that do not meet these thresholds must provide rebates to policyholders.
- Bans health plans from dropping people from coverage when they get sick.
- Prohibits health plans from placing lifetime caps on coverage.
- Tightly restricts new plans’ use of annual limits to ensure access to needed care.
- Prohibits health plans from denying coverage to children with pre-existing conditions. This will be extended to adults with pre-existing conditions by 2014.
- Requires health plans to allow young people up to their 26th birthday to remain on their parents’ insurance policy, at the parents’ choice.