



# HEALTH CARE MYTH-BUSTING

Take a closer look at what's in the bill  
and why it's good for Oklahoma

Despite worn rhetoric to the contrary, federal health insurance reform legislation will put affordable, quality health care within reach for hundreds of thousands of Oklahomans and tens of thousands of Oklahoma small businesses.

Opponents of insurance reform have been spreading a lot of misinformation about what's actually in this legislation. They are doing a disservice to the Oklahomans who will benefit greatly from these reforms.

Now that the reforms have been signed into law, here's a closer look at what the final legislation actually does for folks in our state:

*MYTH #1: Programs for seniors, such as Social Security and Medicare, will be cut.*

**REALITY: These reforms will eliminate waste from Medicare, saving taxpayers billions of dollars - not only without compromising benefits, but while expanding benefits.**

Opponents of reform have been stating that billions of dollars will be cut from Medicare. Actually, these reforms will save taxpayers hundreds of billions over ten years by cracking down on Medicare fraud and wasteful subsidies to insurance companies - and no Medicare benefits will be cut in the process.

In fact, seniors on Medicare will see their benefits expanded under these reforms. Preventive care - such as colonoscopies and annual wellness visits - will now be free to seniors.

Perhaps most importantly to seniors, the Medicare prescription drug "donut hole" will be closed due to these reforms. More than 100,000 Oklahomans hit the infamous "donut hole" each year and accumulate thousands of dollars in medical expenses just to pay for their prescription drugs. This year, seniors who hit the "donut hole" will receive a \$250 rebate to defray costs. Brand-name drugs

for those hitting this gap in coverage will be discounted 50% beginning next year, and the "donut hole" will be completely closed by 2020.

*MYTH #2: Small businesses will be hurt and jobs will be lost.*

**REALITY: Tens of thousands of Oklahoma small businesses could qualify for a tax credit to make covering their employees more affordable.**

Many small businesses in Oklahoma would like to offer quality health benefits to their employees, but can't afford it. The federal health insurance reform package would build on state programs such as Insure Oklahoma to make sure more employees in small businesses can access health insurance. Over 45,000 small businesses in Oklahoma could take advantage of a tax credit to make offering insurance more affordable. In addition, insurance exchanges for small businesses will help open up their options for purchasing insurance - at lower costs than in the traditional small-group market.

All these changes will help spur economic development in Oklahoma. By saving money on health care costs, more small businesses are likely to stay afloat. And the more small businesses can offer health insurance, the likelier they are to attract top-tier employees.

*MYTH #3: Oklahoma's state budget will suffer by having to pay for these reforms.*

**REALITY: Our state will save money with reduced premiums for state employees, a reduction in costs from uncompensated care, and additional funding for other programs.**

Nearly 700,000 Oklahomans don't have health insurance, and when they get sick and can't pay their bills, we all pick up the tab - including our state government. However, these insurance reforms will put affordable coverage within reach of a large portion of our state's uninsured, which means less cost to our state in the form of subsidizing uncompensated care.

The average Oklahoma family pays an extra \$1,000 per year in higher premiums to cover the bills for the uninsured - and state employees receiving taxpayer-funded benefits are no exception. By helping more people afford health insurance, the skyrocketing costs of premiums will be curbed, saving taxpayers millions in the long run.

Some of those currently uninsured will become eligible for Medicaid, leaving some opponents concerned at bearing new costs for the newly eligible. However, the reform package calls for federal matching funds to defray costs for newly qualified enrollees, reducing the state government's share.

Overall, the savings for state governments should far outweigh any new cost outlays, and Oklahoma taxpayers will save money in the long run.

*MYTH #4: Taxes for individuals will increase.*

**REALITY: Many Oklahoma families will see their tax burden reduced through tax credits that help them afford private health insurance, and the "hidden tax" will shrink.**

For Oklahoma families who cannot now afford health insurance but make too much money to qualify for Medicaid, affording private insurance will be easier - in part due to tax relief. More than 300,000 Oklahomans will qualify for tax credits to help ease the burden of monthly premiums.

Furthermore, Oklahomans who can afford private health insurance pay an estimated \$1,000 per year in higher premiums to compensate doctors and hospitals for uninsured patients who can't pay for their care. More than 600,000 uninsured Oklahomans will find health insurance within their reach after these reforms, and this "hidden tax" all insured families pay will dissipate.

*MYTH #5: The federal government is taking over the health care industry.*

**REALITY: These reforms fix much of what's broken with the health care system and help make private insurance more affordable for millions of Americans.**

These new reforms put in place common-sense consumer protections that will prevent insurance companies from making profits with small-print regulations that can be catastrophic to their customers. By eliminating lifetime caps on coverage, restricting annual limits, and preventing companies from arbitrarily dropping customers from their rolls, consumers who get sick will still be able to benefit from the insurance they paid for.

Companies will not be able to deny anyone coverage due to pre-existing conditions, starting with children and expanding to all Oklahomans by 2014. Young adults will be able to stay on their parents' plan until they turn 26. And excessive waiting periods will be limited.

However, insurance companies still won't lose out. Thanks to reforms that include tax credits, premium supplements, and insurance exchanges, private insurers will gain millions of new customers who otherwise couldn't afford their services.

Private insurance companies will be held more accountable to their customers, but will also gain new business when more Oklahomans can afford to buy health insurance.

*MYTH #6: These reforms are unconstitutional.*

**REALITY: Efforts to "opt out" of these reforms within the states are clearly unconstitutional and are a waste of taxpayer time and money.**

While many politicians have threatened to run straight to the courthouse and spend taxpayer money to sue the federal government over these common-sense reforms, their constituents are realizing that they will benefit greatly from these fixes to our health insurance system.

That hasn't stopped other politicians - even in Oklahoma - from pushing through resolutions that would have people vote on whether or not to "opt out" of these changes. Unfortunately, some of the same folks claiming the new federal health care laws are unconstitutional are pursuing their own unconstitutional tactics.

Article VI of the U.S. Constitution declares it to be the "supreme law of the land," and nearly 200 years of judicial decisions have upheld that a state cannot declare federal law to be null and void within its borders. Efforts such as two resolutions introduced into the Oklahoma legislature are a waste of lawmakers' time and taxpayers' money, for if an "opt out" vote would pass, it would not withstand judicial scrutiny - and the Oklahoma taxpayers would be on the hook for costs of defending a losing battle in the courts.

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