



**Congress of the United States
House of Representatives
Washington, DC 20515**

**Health Insurance Reform Mythbuster - ‘Democrats’
Health Insurance Reform Is Socialism and a
Government Takeover’**

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Opponents of health insurance reform continue to spread myths, including peddling the bogus notion that the health reform bill is “socialism” and a “government takeover of health care.” The fact is the reform legislation builds on our existing private health insurance system—with its key components drawn from both Republican and Democratic reform ideas—and provides the largest health care tax cut in American history.

MYTH: *Democrats’ health insurance reform plan is socialism and a government takeover of health care.*

FACTS: The Democrats’ health insurance reform legislation expands private health insurance in America, and is based on increasing choice and competition -- providing for new marketplaces (called “Insurance Exchanges”) where the uninsured, small business employees, and the self-employed will be able to choose among a variety of private insurance plans.

Many will receive tax credits to help them afford the health plan they choose. Indeed, our plan has striking similarities to the plan put forward as the Republican alternative to the Clinton health care plan in November 1993.

- As President Obama has pointed out: “**The idea of an exchange is not a government takeover; it is how the market works**, which is if you have a lot of purchasing power you get a better deal. ... We should be able to give small

businesses and individuals who are self-employed, who aren't able to get insurance through a large employer, that same deal."

- As *Politics Daily* columnist Jill Lawrence has pointed out, **"Private insurance companies would not only survive under this bill, they would get millions of new customers. That doesn't sound like socialism."**
- The Congressional Budget Office estimates that there would be **24 million Americans** obtaining their health insurance on an Insurance Exchange by 2019 – all of them **enrolled in one of the private health insurance plans** offered on the Exchanges.
- A central component of this reform plan is the largest health care tax cut in American history, providing families and small businesses tax credits that will enable them to be able to afford a private health insurance plan offered on an Exchange. **Indeed, according to CBO, more than 50 percent of the plan's cost is for these tax credits.**
- **Our plan has striking similarities to the plan put forward as the major Republican alternative to the Clinton health plan in 1993 – S. 1770, Health Equity and Access Reform Act of 1993, introduced by Sen. John Chafee, Republican of Rhode Island.** This GOP bill had many Republican co-sponsors, including Senators Bob Dole of Kansas, Orrin Hatch of Utah, and Robert Bennett of Utah. It had such common features with our proposal as calling for expanding health coverage by including a shared responsibility requirement for both individuals and employers, setting a minimum benefits package, and including measures to make the health care system more efficient. **And now it's socialism?**