

# OBAMACARE

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THREE MONTHS OF BROKEN PROMISES



PREPARED BY THE OFFICE OF THE REPUBLICAN LEADER  
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# OBAMACARE BENCHMARK PROGRESS REPORT

BENCHMARK	PASS	FAIL
<b>JOBS</b> “In its life [health care reform] will create 4 million jobs, <b>400,000 jobs almost immediately.</b> ” - <a href="#">Speaker Nancy Pelosi</a> (D-CA), 2/25/10		
<b>COSTS</b> “Today I want to lay out the details of that plan - a plan that not only guarantees coverage for every American, but also brings down the cost of health care and reduces every family's premiums <b>by as much as \$2500.</b> ” - <a href="#">Sen. Barack Obama</a> , 5/27/07		
<b>DEFICITS &amp; DEBT</b> “First, <b>I will not sign a plan that adds one dime to our deficits</b> ~ either now or in the future.” - <a href="#">President Barack Obama</a> , 9/9/09		
<b>TAXES</b> “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, <b>not any of your taxes.</b> ” - <a href="#">Sen. Barack Obama</a> , 9/12/08		
<b>SENIORS</b> “I want seniors to know, despite what some have said, <b>these reforms will not cut your guaranteed benefits.</b> ” - <a href="#">President Barack Obama</a> , 3/23/10		
<b>IF YOU LIKE IT...</b> “If you like your doctor, you will be able to keep your doctor. Period. <b>If you like your health care plan, you will be able to keep your health care plan. Period.</b> No one will take it away. No matter what.” - <a href="#">President Barack Obama</a> , 6/15/09		
<b>ABORTION</b> “...And one more misunderstanding I want to clear up - under our plan, <b>no federal dollars will be used to fund abortions</b> , and federal conscience laws will remain in place.” - <a href="#">President Barack Obama</a> , 9/9/09		
<b>STATES</b> “I think everybody here wants to make sure that governors have flexibility... And we’re committed to working with them ... to make sure that when we get health reform done, <b>it is in partnership with the states where the rubber so often hits the road.</b> ” - <a href="#">President Barack Obama</a> , 2/24/09		
<b>POPULARITY</b> “President Barack Obama’s pollster said the healthcare bill <b>will win over public support once it becomes law</b> despite polls showing Americans against the plan.” - <a href="#">The Hill</a> , 3/13/10		

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# INTRODUCTION

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Three things are abundantly clear about President Obama's new health care law three months after it became law. First, the American people remain squarely opposed to it. Second, it is off to a rocky start, having failed to live up to specific promises made by President Obama and Washington Democrats. Third, Republicans have listened to the American people, heard the rising public backlash against the new law, and offered better solutions.

It wasn't supposed to be this way, of course. While rushing their massive government takeover of health care through Congress, President Obama and congressional Democrats promised it would create jobs, lower costs, reduce the deficit, allow Americans to keep their health care, protect seniors' coverage, prohibit taxpayer-funded abortion, and, of course, gain the support of the American people.

It isn't just that none of these promises or predictions have turned out to be true. In every instance, ObamaCare has made matters worse:

- **Jobs.** Some of the nation's largest employers have announced they will be forced to make cutbacks as a result of ObamaCare's job-killing mandates, despite President Obama's boast that his health care plan was also a jobs plan.
- **Costs.** Two independent government entities – the nonpartisan Congressional Budget Office (CBO) and the chief actuary at the Obama Administration's own Centers for Medicare & Medicaid Services (CMS) – have confirmed that the new law fails to lower health care costs and reduce the deficit as promised.
- **Taxes.** ObamaCare includes at least a dozen violations of President Obama's pledge to not raise taxes on middle-class families.
- **Seniors.** The government has confirmed that the new law's massive Medicare cuts will fall squarely on the backs of seniors, millions of whom will be forced off their current Medicare coverage.
- **If You Like It...** The Obama Administration has been forced to acknowledge that the new law will force some 87 million Americans to drop their current coverage despite President Obama's promise that Americans would be able to keep the coverage that they have.
- **Abortion.** The Obama Administration has provided no update whatsoever on its efforts to implement Executive Order 13535, which President Obama claimed would bar taxpayer funding of abortion under ObamaCare and eliminate the need for enactment of the pro-life Stupak amendment.
- **States.** Dozens of states have revolted against the new law's job-killing, budget-crushing mandates. The nation's leading small business organization, the National Federation of Independent

Business (NFIB), has joined with 20 states in fighting to overturn the job-killing, unconstitutional ‘individual mandate’ at the heart of the new law.

- **Popularity.** Despite assurances from President Obama’s pollster that Americans would like the new law once it was passed, a clear majority of Americans disapprove of ObamaCare, believe it will hurt the country, and support its repeal.
- **Taxpayer-Funded, Taxpayer-Rejected PR Campaign.** The Obama Administration has already wasted millions of taxpayer dollars on a failed public relations campaign. In one particularly galling case, the Administration was caught sending a disingenuous mailer to seniors that [may violate federal laws against taxpayer-funded propaganda](#).
- **GOP Offensive.** [House](#) and [Senate Republicans](#) have broken through with a relentless offensive designed to alert the public to the new law’s impact on their health care and the economy as a whole. Republicans are engaging the American people in this critical debate through [America Speaking Out](#), as well as public [forums](#) and [events](#) with experts and entrepreneurs outside the Beltway who are sounding the alarm about ObamaCare.

Mounting evidence of the new law’s failures paved the way for the introduction of the [Reform Americans Can Afford Act](#) (H.R. 5424) on May 27, 2010. Proposed by Rep. Wally Herger (R-CA), House Republican leaders and Ranking Members, this legislation would repeal ObamaCare and replace it with common-sense reforms focused on lowering costs and protecting jobs, which is exactly what Americans wanted in the first place.

The following report is designed to chronicle ObamaCare’s three-month journey from hype to harsh reality. Drawing on voices inside and outside the Obama Administration, it catalogs the pledges and predictions President Obama and Washington Democrats made to make the new law become a reality – and the long list of broken promises in the three months since.

In many ways, this has been a total re-run of the trillion-dollar ‘stimulus’ fiasco, with Democrats laying out a series of lofty benchmarks – i.e., creating jobs ‘immediately,’ or keeping unemployment below eight percent – only to end up with another government program that overspends and underdelivers. The ‘stimulus’ would go on to make **‘where are the jobs?’** a household question in America.

Having been bruised by that experience, Washington Democrats had a lot riding on the new health care law getting off to a fast start. Yet again, their high hopes have quickly dissolved into disappointment – much to the detriment of families, seniors, and small businesses.

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# AMERICAN JOBS ALREADY UNDER ATTACK

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Last December, President Obama laid out a clear benchmark for his health care plan by describing it as a jobs program, calling it “part and parcel with where we need to take our economy.” Speaker Nancy Pelosi (D-CA) was even more specific at the White House health care summit in February when she stated that, “In its life [health care reform] will create four million jobs, 400,000 jobs almost immediately.” In April, the private sector created 231,000 jobs, but job growth in the health care sector actually declined from the month before. In May, private sector job creation dropped to just 41,000. Economists on the left, center, and right agreed that the May jobs report was “disappointing.”

Rather than creating jobs “immediately” as promised, this government takeover of health care, with its massive tax hikes and burdensome new mandates on businesses, is making it harder to put people back to work.

By signing ObamaCare into law, President Obama effectively signed pink slips for millions of American workers who will lose their jobs or be denied new jobs. Economist Diana Furchtgott-Roth, director of the Hudson Institute’s Center for Employment Policy, puts it this way:

*“The sheer size and cost of the health care bill will inevitably lead to a larger share of the economy under government control and higher government spending. Taxes will rise, diminishing incentives to work, invest, and create jobs. Government controls on insurance premiums and health care expenditures will stifle innovation in pharmaceuticals, medical devices, and the delivery of health care services. In contrast, the Republican plans don’t cost \$1 trillion, adding to national debt; they don’t raise taxes, slowing the economy; they don’t impose mandates on employers, discouraging low-skill employment and reducing wages; and they would give people a broader choice of plans, thereby increasing the efficiency in the delivery of health care services.”*

Furchtgott-Roth was one of more than 130 top economists to sign a [statement](#) warning that “the health care bill contains a number of provisions that will eliminate jobs, reduce hours and wages, and limit future job creation.”

## EMPLOYERS TAKE IMMEDIATE HITS FROM OBAMACARE

Last December, major U.S. employers [warned](#) Congress that ObamaCare’s massive tax increases would hurt the economy at the worst possible time. In the hours after President Obama’s signing ceremony took place, those businesses began measuring that pain and publicly identifying losses in the millions – all on account of just one provision in the new law:

**AT&T, \$1 billion.** “Companies like AT&T ... are going to have higher health-care costs and, therefore, lower earnings unless they can negotiate something or offer less to their employees,” said Chris Larsen, an analyst at Piper Jaffray & Co. in New York...” ([Bloomberg](#), 3/26/10)

**Verizon, \$970 million.** “The nation’s second-largest telecommunications company will take a \$970 million hit, following the largest carrier AT&T...” ([The Hill](#), 4/1/10)

**Deere & Co., \$150 million.** “While it is a non-cash charge, it does reflect real value destruction, based on expected cash flows over the life of the company,’ said Jonathan Schildkraut, an analyst at Jefferies & Co. in New York. ‘This is having an impact on the bottom line and that can cut jobs,’ said Chetan Sharma, an independent wireless analyst in Issaquah, Washington.” ([Bloomberg](#), 4/2/10)

**Boeing, \$150 million.** “Boeing Co. ... plans to record a \$150 million charge in the first quarter because of a new law reshaping the U.S. health-care system.” ([Bloomberg](#), 3/31/10)

**Caterpillar, \$100 million.** “Obama Tax’s \$14 Billion Charge Starts at Caterpillar. The world’s largest maker of bulldozers put a price tag on that defeat yesterday: a \$100 million charge to earnings. ... ‘This could be a huge hit for bigger companies,’ said Roland McDevitt, health-care research director in Arlington, Virginia, for New York-based Towers Watson. ‘This will be the kind of charge that will get the CFO looking and asking what are we doing here?’” ([Bloomberg](#), 3/25/10)

**Prudential Financial Inc., \$100 million.** “Prudential Financial became the latest company to detail the financial impact of President Barack Obama’s health-care overhaul, saying Tuesday it has taken a \$100 million charge in the current quarter...” ([FOX Business](#), 3/30/10)

**Lockheed Martin, \$96 million.** “Lockheed Martin, the world’s largest defense contractor, said it expected to record a \$96 million, or about 25 cents a share, after-tax charge in the first quarter.” ([Reuters](#), 3/31/10)

**Exelon, \$65 million.** “Exelon Corp., the largest operator of nuclear plants in the United States, expects a non-cash charge of about \$65 million in the first quarter of 2010 due to the recently passed healthcare reform law.” ([Reuters](#), 4/1/10)

**3M Co., \$85-\$90 million.** “They ‘have a stream of tax benefits that they are losing way out into the future,’ said Roland McDevitt, director of health-care research at benefits consultant Towers Watson. On Friday, 3M Co. joined AT&T in saying it would take a first-quarter charge, in 3M’s case of \$85 million to \$90 million.” ([The Wall Street Journal](#), 3/27/10)

**Ingersoll-Rand, \$41 million.** “Ingersoll-Rand, a maker of air compressors and cooling systems, expects to record a non-cash charge of \$41 million, or 12 cents a share, related to the healthcare overhaul.” ([Reuters](#), 3/31/10)

**AK Steel, \$31 million.** “AK Steel Holding Corp., the third largest U.S. steelmaker by sales, said it will record a non-cash charge of about \$31 million resulting from the health-care overhaul signed into law by President Barack Obama.” ([Bloomberg](#), 3/23/10)

**Eaton, \$25 million.** “The maker of hydraulics, electrical controls and truck transmissions joins a growing list of big U.S. employers including AT&T Inc, Boeing Co and Caterpillar Inc bracing for a financial pinch from the overhaul.” ([Reuters](#), 4/1/10)

**Illinois Tool Works, \$22 million.** “Illinois Tool Works, Inc. lowered its first quarter and yearly earnings forecast Tuesday due to costs related to the health care legislation recently passed by Congress. The industrial equipment maker said it will record a tax adjustment of \$22 million...” ([Associated Press](#), 3/30/10)

**Xcel, \$17 million.** “Xcel Energy, the owner of utilities that operate in eight U.S. states including Colorado, expects to record a \$17 million charge in the first quarter because of the new U.S. health care law.” ([Denver Post](#), 4/1/10)

**Valero, \$15- \$20 million.** “But in the midst of high unemployment, statements from companies such as AT&T and Valero Energy that the new law would cost them weren’t the headlines Democrats wanted on their victory lap. When major employers talk about hits to the bottom line, workers hear ‘layoffs.’” (Chuck Raasch, [USA Today](#) op-ed, 4/1/10)

**Honeywell, \$13 million.** “Honeywell will also take a one-time charge of \$13 million in the quarter because of the recently passed health-care reform bill.” ([MarketWatch](#), 3/30/10)

**Goodrich, \$10 million.** “Goodrich Corp. says it expects to incur a one-time charge of \$10 million ... against its first-quarter results. The company cites the recently passed U.S. health-care reform legislation.” ([Charlotte Business Journal](#), 3/31/10)

**Carpenter, \$5.9 million.** “Carpenter Technology will take a quarterly charge of \$5.9 million due to recently passed health care legislation, the specialty metals maker said Thursday.” ([Associated Press](#), 4/1/10)

**Allegheny Technologies, \$5 million.** “Metals processor Allegheny Technologies Inc. said Monday that it plans to take a \$5 million non-cash charge in the first quarter related to the health care overhaul legislation.” ([Associated Press](#), 3/29/10)

Led by House Energy & Commerce Committee Chairman Henry Waxman (D-CA), Washington Democrats professed shock and surprise at hearing American employers announce that they will have no choice but to make painful changes to comply with the new law. Chairman Waxman immediately called for [hearings designed to intimidate employers](#) and launched a wide-ranging investigation into the matter.

In a sudden about-face, Chairman Waxman backtracked and [canceled the hearings](#) when it became clear he couldn’t bully these employers into staying quiet. His own experts would go on to concede that employers’ reports were accurate. [The New York Times](#) reported:

*“When major companies declared that a provision of the new health care law would hurt earnings, Democrats were skeptical. But after investigating, House Democrats have concluded that the companies were right to tell investors and the government about the expected adverse effects of the law on their financial results. ...*

*“The White House suggested that companies were exaggerating the effects of the tax change. The commerce secretary, Gary F. Locke, said the companies were being ‘premature and irresponsible’ in taking such write-downs. ...*



*“In a memorandum summarizing its investigation, the Democratic staff of the committee said, ‘The companies acted properly and in accordance with accounting standards in submitting filings to the S.E.C. in March and April.’”*

According to U.S. Chamber of Commerce data, **at least 40 companies have reported \$3.4 billion in earnings since ObamaCare took effect.** A study released by Towers Watson, an independent consulting firm, estimates that this tax hike could cost businesses as much as [\\$14 billion](#) over the next few years.

### **SMALL BUSINESSES SAY OBAMACARE TAX CREDIT WILL DO “LITTLE TO NOTHING”**

Under ObamaCare, the nation’s small businesses have had just as bumpy a ride as their large counterparts. To help offset the cost of more Washington mandates, tax hikes, and other cost increases, the Obama Administration spent millions of taxpayer dollars to promote its “Small Business Health Care Tax Credit.”

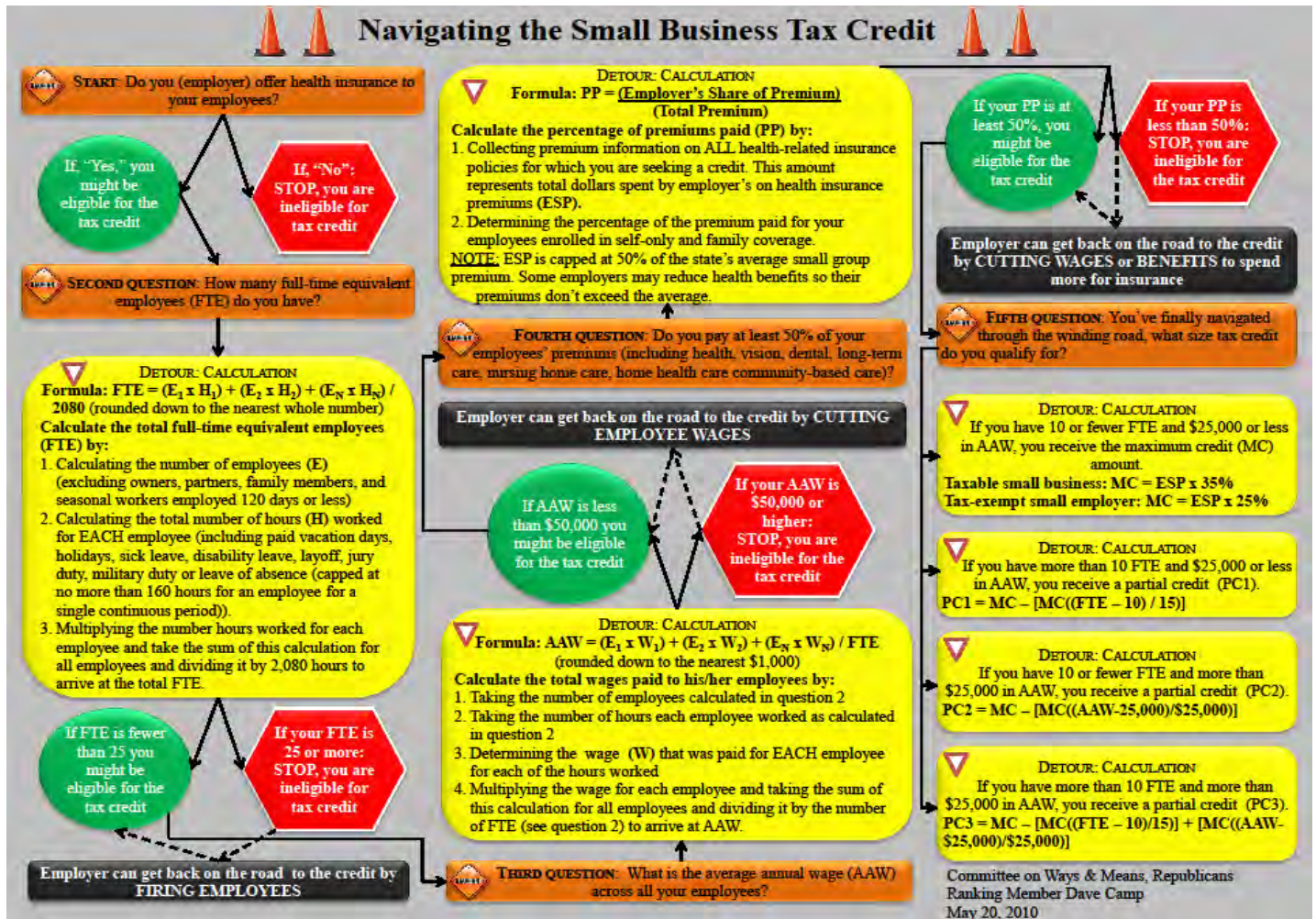
As a result of stringent government requirements, this tax credit actually has the opposite effect that it was intended to have: it acts as a disincentive to increase wages and hire additional workers. Small business owners who want to take advantage of this credit are essentially discouraged from growing their business. Is that what the President meant when he said that this credit was “pro-jobs” and “pro-business?”

A National Federation of Independent Business (NFIB), analysis determined that the tax credit “will do little to nothing to make purchasing insurance more affordable for small firms”:

1. **Only 12 Percent of Small Businesses Qualify.** According to the NFIB: “Very few small businesses will actually qualify for the tax credit, early estimates by CBO cite that just 12 percent of the small business population would benefit in any way.”
2. **The Tax Credit Actually Undermines Job Creation & Wages For Small Businesses That Qualify.** The credit is very restrictive and requires small business owners to meet three complicated “tests” to qualify for any portion of the credit. Here are the three tests as outlined by the NFIB:
  - *Business size:* Very few small firms will receive the full credit (only firms with 10 employees or less). For firms with 11-25 employees, the credit is reduced per employee. Firms with more than 25 employees get NO credit.
  - *Average employee wages:* The credit is tied to the average wage of workers. Only firms who pay their workers \$25,000 or less are eligible for the full credit. The credit is reduced as the average wage goes up, stopping at \$50,000. (Note: Average wage for a firm with 10 or fewer employees is approximately \$27,000.)
  - *Employer contribution:* Only firms covering 50 percent or more of insurance costs will be eligible.

3. **The Tax Credit Goes Away Quickly.** According to the NFIB, the credit is only available for a maximum of six years, but health care costs will continue to increase well after those six years.

For the 12 percent of companies that do qualify for the tax credit, Ways & Means Committee Republicans developed the following chart that underscores the difficulty these businesses will face in securing the credit:



Many small businesses who have taken the time to follow this maze have come up empty handed. The [Associated Press](#) highlighted just one of these reports:

*"Tax cut math doesn't add up for some. Zach Hoffman was confident his small business would qualify for a new tax cut in President Barack Obama's health care overhaul law. But when he ran the numbers, Hoffman discovered that his office furniture company wouldn't get any assistance with the \$79,200 it pays annually in premiums for its 24 employees. 'It leaves you with this feeling of a bait-and-switch,' he said.*

*"Lost in the fine print: The credit drops off sharply once a company gets above 10 workers and \$25,000 average annual wages. It's an example of how the early provisions of the health care law can create winners and losers among groups lawmakers intended to help—people with health problems, families with young adult children and small businesses."*

The pain from this “bait-and-switch” is being felt by struggling small businesses throughout the country. Last month, at a House GOP forum chaired by Rep. Roy Blunt (R-MO) on the “true costs” of ObamaCare, Gail Johnson, president & CEO of Rainbow Station, Inc., a nationally accredited preschool and school age recreation franchise, warned that the new law’s burdensome mandates would slow or stall the growth of small and medium-sized firms like hers:

*“As an entrepreneur and a nurse, when I review the new health care law I see a structure designed to discourage economic growth among small and mid-sized companies. At a time when our government should be doing everything in its power to encourage job growth and recovery, I see a federal requirement that creates disincentives for higher wages, new hiring and robust employee benefits. ...*

*“In order to qualify for the tax credit, we would have to cut hours for our full-time staff to ensure we were under the 25 full-time equivalent employee threshold. ... Encouraging companies to cut back hours or eliminate staff is the wrong message our government should be sending small businesses - particularly during a recession.” ([Release](#), 5/27/10)*

At a time when small businesses are still gasping for air, this government takeover of health care is providing no relief and actually making matters worse for entrepreneurs. On May 14, the NFIB announced that it would join 20 states in fighting to overturn the job-killing mandates at the heart of the new law.

### **MORE JOB LOSSES ARE EXPECTED**

ObamaCare’s negative impact on our economy will only be exacerbated as the law’s most burdensome mandates and tax hikes kick in. According to a [study](#) by the NFIB, the law’s employer mandate could eliminate 1.6 million jobs between 2009 and 2014, with 66 percent of those coming from small businesses. The long-term outlook is even more troubling.

Washington Democrats said ObamaCare would put people back to work, but the reality for America’s employers is that it means more tax hikes, more Washington mandates, and more economic uncertainty – all of which kills jobs.

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# INCREASING AMERICANS' HEALTH CARE COSTS

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As long as there has been a debate over the future of health care in America, the public has had one priority: lower costs. With that in mind, President Obama promised during his campaign for president that his health care plan would lower premiums by \$2,500 “for the typical family.” Unfortunately, experts have confirmed that the new law would actually increase premiums and make it harder for families and small businesses to afford quality care.

## BEFORE: WILL IT OR WON'T IT INCREASE PREMIUMS?

Not long after President Obama took office, he learned that his \$2,500 pledge was questionable at best. According to *TIME*, “His advisers told him the number, [based on unproven assumptions](#), was too wobbly to survive a legislative debate. The truth was, they said, nobody knows exactly how much money could be saved...”

Nevertheless, in the weeks leading up to the vote on ObamaCare, the President seized on reports of rate hikes by insurance companies to bolster support for the bill, saying that if Congress did not act, “[we'll see exploding premiums and out-of-pocket costs burn through more and more family budgets.](#)” The non-partisan Congressional Budget Office (CBO), however, estimated that the Democrats' bill would actually [increase premiums for millions of families](#) by \$2,100 more in 2016 than doing nothing at all. That is a **\$4,600 swing** from the President's promise of saving a “typical family” \$2,500 annually.

The [Associated Press](#) sought to answer the question on Americans' minds, “**Will Health Care Bill Lower Premiums?**”

*“Buyers, beware: President Barack Obama says his health care overhaul will lower premiums by double digits, but check the fine print. Premiums are likely to keep going up even if the health care bill passes, experts say. If cost controls work as advertised, annual increases would level off with time. But don't look for a rollback.”*

Days before ObamaCare was forced through Congress, [Pew Research](#) released the results of a survey showing that roughly eight in 10 Americans believed the new law would not lower their health care costs as promised. They were right.

## CONFIRMED: OBAMACARE WILL INCREASE PREMIUMS

Less than a month after ObamaCare took effect, the Obama Administration's own Medicare actuary warned that the new law would indeed raise premiums:

*“The health reform legislation, as enacted, imposes collective annual fees on manufacturers and importers of brand-name prescription drugs and on health insurance plans. In addition, the PPACA establishes an excise tax on non-personal-use retail sales by manufacturers and importers of medical devices. ... We anticipate that these fees and the excise tax would generally be passed through to health consumers in the form of higher drug and device prices and higher insurance premiums. ...”* ([CMS](#), 4/22/10)

Warnings of higher health care premiums reverberated throughout the country:

- “Love it or hate it, the national health plan known as Obamacare fails to remedy one of the nation's leading economic ills: The rising cost of health insurance amid a crushing recession. Most of the game-changing provisions ... don't take effect until 2014, and even then, experts say, there is little to slow the engine of escalating insurance premiums.” ([Santa Rosa \(CA\) Press Democrat](#), 4/25/10)
- “Health care reform may not offer enough to small business. Owners of small firms say health care may still be too expensive.” ([Florida Times-Union](#), 4/25/10)
- “Democrats are petrified they'll get the blame they deserve when insurance costs inevitably spike.” ([The Wall Street Journal](#), Editorial, 4/26/10)
- “South Carolina's largest insurers say health care reform is likely to have much more of an impact on consumers than it will on them. ... Large insurers say that ... mandated benefits and other costs will be passed on to consumers, increasing their premiums. ... Clemson University public health sciences professor Windsor Sherrill says ... premiums are likely to rise as insurers pass on the cost of mandated benefits and eliminate pre-existing condition exclusions and annual and lifetime coverage caps.” ([The \(Charleston\) Post and Courier](#), 4/14/10)
- “Experts predict higher group rates. The new federal health care law probably will boost your group insurance premiums next year by between 1 and 4 percent, a consultant estimated Tuesday ... The increase is due to the law's added benefits, reporting requirements and other early provisions that take effect as health insurance policies come up for renewal after Sept. 23, said Brett Sesker, a principal with SilverStone Group of Omaha.” ([Omaha World-Herald](#), 4/14/10)
- “Area insurers are hitting companies with hefty rate increases in the wake of last month's passage of sweeping health reforms. Insurance-rate hikes for employer groups are the highest in years, brokers say. Employers can expect an average 13% increase on their next medical-premium renewal, according to a survey of the Chicago area's five largest health insurers conducted last month by CMC Advisory Group, a Chicago-based brokerage firm.” ([Crain's Chicago Business](#), 4/12/10)

## HELP IS NOT ON THE WAY

By mid-June, a new study from PricewaterhouseCoopers confirmed that the millions of Americans with employer-provided health care would have to “share a bigger chunk of the expense” next year:

“Report: Employers to see 2011 medical costs jump. ... Companies that offer employee health insurance expect another steep jump in medical costs next year, and more will ask workers to share a bigger chunk of the expense, according to a new PricewaterhouseCoopers report.”

“For the first time, most of the American workforce is expected to have health insurance deductibles of \$400 or more, the consulting firm said in a report released to The Associated Press. ...”

*“The health care reform law passed by Congress and then signed by President Obama in March has just started to unfold and will have little impact on costs next year, said Michael Thompson, a principal with PricewaterhouseCoopers.” ([Associated Press](#), 6/14/10)*

Americans don't expect the situation to get much better. On April 28, [Reuters](#) reported that despite the new law, “Americans are steadily losing confidence in their ability to get healthcare and pay for it.” *Reuters'* chief research officer noted that “strikingly, Americans expect the situation to worsen significantly in the next three months. ... Getting legislation through hasn't reassured Americans.” Americans wanted one thing out of health care reform: lower costs, which President Obama promised, but did not deliver.

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# INCREASING THE DEFICIT

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Throughout his campaign to pass ObamaCare, the President and members of his Administration repeatedly said that passing their government takeover of health care would “bend the cost curve” and bring skyrocketing health care costs under control. President Obama said in his address to a [joint session of Congress](#) last fall: “I will not sign a plan that adds one dime to our deficits – either now or in the future.” **Experts inside and outside the Obama Administration, however, have determined that the new health care law will add to our deficit and increase the nation’s massive debt burden.**

Last June, with Washington Democrats’ out-of-control spending spree shoving the nation’s balance sheet towards red ink as far as the eye can see, President Obama told members of the American Medical Association that passing his government takeover of health care would be “the single most important thing we can do for America’s long-term fiscal health.”

With little in the way of proof to back up his argument, President Obama repeated it over and over again, hoping that it would take with a public weary of deficits and debt, but it never did. A Gallup survey taken less than a week after President Obama’s signing ceremony found that [three in four Americans](#) believe the new law would either have no impact on the budget deficit or just make it worse. Yet again, they were right.

## **CBO, CMS REPORTS EXPOSE TRUTH ABOUT OBAMACARE’S RED INK**

According to a recent [presentation](#) by Douglas Elmendorf, the director of the nonpartisan Congressional Budget Office (CBO), ObamaCare does very little to relieve the pressure rising health care costs are placing on the federal budget:

*“Rising health costs will put tremendous pressure on the federal budget during the next few decades and beyond. In CBO’s judgment, the health legislation enacted earlier this year does not substantially diminish that pressure. ... We have emphasized that the legislation maintains and puts into effect a number of policies that might be difficult to sustain over a long period of time.”*

Director Elmendorf’s assessment followed a [breakthrough report](#) issued in April by the Obama Administration’s own Medicare actuary, Richard Foster, who estimated that national health care spending will **increase by \$311 billion** over the next 10 years on account of the new law. The report sent shockwaves across the country:

*“Report: Health overhaul will increase USA’s tab. President Obama’s health care overhaul law will increase the nation’s health care tab instead of bringing costs down, government economic forecasters concluded Thursday in a sobering assessment of the sweeping legislation.*

*“A report by economic experts at the Health and Human Services Department ... found that the law falls short of the president’s twin goal of controlling runaway costs. ... Republicans said the findings validate their concerns about Obama’s 10-year, nearly \$1 trillion plan to remake the nation’s health care*

system.” ([Associated Press](#), 4/23/10)

Even more troubling, the Medicare actuary warned that the \$311 billion figure, already startling in its own right, was just a starting point. The figure “[could get bigger](#), since Medicare cuts in the law may be unrealistic and unsustainable.”

Editorial boards could not help but to compare the President’s lofty rhetoric to the harsh reality of ObamaCare. [The Columbus Dispatch](#), for instance, echoed the ‘enough-is-enough’ sentiments of many Americans in its editorial titled “**Malpractice:**”

*“The tragedy is that these ill effects could have been and should have been calculated before the law was passed, not after. ... The latest analysis of the bill's likely effects comes from the Office of the Actuary in the federal Centers for Medicare and Medicaid Services. The report by Chief Actuary Richard S. Foster says that, far from reducing the cost of health care, the overhaul will add \$311 billion to the nation's health-care costs over the first decade the law is in effect. ...*

*“As the weeks roll by, more and more unintended and should-have-been-anticipated consequences of this ill-conceived law will be revealed. This should be no surprise, considering that the law was slapped together behind closed doors without proper testimony and vetting by health-care, financial and insurance experts, and is a patchwork of political and special-interest deals rammed through Congress using procedural gimmicks.”*

Not long after, Elmendorf delivered his devastating prognosis on the new law’s inability to improve the nation’s fiscal health. One budget expert noted that the presentation “[obliterates the claims](#) of the President and his allies about the effects of the new laws on federal health spending and the budget.” The Heritage Foundation’s blog, [The Foundry](#), concluded: “In other words, our nation’s budget is on an unsustainable path and Obamacare did nothing to change that.”

## WHITE HOUSE USED UNSUBSTANTIATED & “SHAKY” DATA TO SELL OBAMACARE

The White House’s efforts to defend ObamaCare against the CBO director’s pronouncements were quickly upended by a [New York Times](#) report that found the research Washington Democrats had cited to boost some of the most significant cost-savers in the law was “[shaky](#)”:

*“In selling the health care overhaul to Congress, the Obama administration cited a once obscure research group at Dartmouth College to claim that it could not only cut billions in wasteful health care spending but make people healthier by doing so. .... [White House budget director Peter] Orszag even displayed maps produced by Dartmouth researchers that appeared to show where the waste in the system could be found. ...*

*“Even Dartmouth’s claims about which hospitals and regions are cheapest may be suspect. ... In other words, there is little evidence to support the widely held view, shaped by the Dartmouth researchers, that the nation’s best hospitals tend to be among the least expensive.”*



The last thing Americans can afford right now is another Washington program that overspends and underdelivers. Instead of lower costs and reducing the deficit, American families and small businesses have been left with higher costs, more spending, and more debt.

## RAISING TAXES ON MIDDLE-CLASS FAMILIES & SMALL BUSINESSES

On September 12, 2008, Sen. Barack Obama made “[a firm pledge](#)” to middle-class Americans: “[U]nder my plan, no family making less than \$250,000 will see their taxes increase – not your income taxes, not your payroll taxes, not your capital gains taxes, not any of your taxes.” President Obama’s government takeover of health care includes a dozen tax increases that violate this pledge.

[The Washington Times](#) reported on April 23 that “some 3 million middle-class Americans will be required to pay a penalty for not getting health insurance under the Obama administration’s new health care law, raising questions about the President’s willingness to break a campaign promise by increasing taxes on some families earning less than \$250,000. A [Congressional Budget Office analysis](#) released Thursday said the average cost of the penalty will be slightly **more than \$1,000 apiece** in 2016.”

The following [chart](#) compiled by Ways & Means Republicans details the ObamaCare tax increases. The bolded items represent violations of President Obama’s middle-class tax pledge:

TAX INCREASES ENACTED	AMOUNT IN BILLIONS OVER 10 YEARS
New tax on individuals who do not purchase government-approved health insurance	\$17.0
New tax on employers who fail to fully comply with government health insurance mandates	\$52.0
New 40% excise tax on certain high-cost health plans	\$32.0
New ban on the purchase of over-the-counter drugs using funds from FSAs, HSAs and HRAs	\$5.0
Increase the Medicare tax on wages and self-employment income by 0.9% and impose a new 3.8% surtax on certain investment income (for individuals over \$200,000 and couples over \$250,000.)	\$210.2
Increase, from 7.5% to 10% of income, the threshold after which individuals can deduct out of pocket medical expenses	\$15.2
Impose a new \$2,500 annual cap on FSA contributions	\$13.0
New annual tax on health insurance	\$60.1
New annual tax on brand name pharmaceuticals	\$27.0
New 2.3% excise tax on certain medical devices	\$20.0
New 10% tax on indoor UV tanning services	\$2.7
New tax on insured and self-insured health plans	\$2.6
Double the penalty for non-qualified HSA distributions	\$1.4
Eliminate the deduction for expenses allocable to Medicare Part D subsidy	\$4.5
Limit the deduction for compensation to officers, employees and directors of certain health insurance providers	\$0.6
Require information reporting on payments to corporations	\$17.1
Impose additional requirements for section 501(c)(3) hospitals	\$0.4
Make “black liquor” ineligible for cellulosic biofuel producer credit	\$23.6
Codify economic substance doctrine and impose penalties for underpayments	\$4.5

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## “IF YOU LIKE YOUR HEALTH CARE PLAN, TOO BAD”

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Most Americans like the health coverage they have, but they believe it costs too much. And they’ve long sought common-sense reforms that lower their costs without losing what they currently have. To that end, one of President Obama’s constant refrains during the health care debate was, **“If you like your health care plan, you can keep your health care plan.”** When pressed by skeptics, however, President Obama hedged on his guarantee, instead [stating](#) that, “if you are happy with your plan, and if you are happy with your doctor, we don’t want you to have to change.” These facts can’t be hedged: all told, more than 87 million American could lose access to their current health care plan under the new law.

### A MAJORITY OF AMERICANS COULD LOSE THEIR HEALTH INSURANCE

In mid-June, the Obama Administration released an 83-page document laying out a new set of government regulations that would force employers to comply with all ObamaCare mandates if they made even modest changes to their existing plans. According to experts, more than 87 million American could lose access to their current health care plan under the new law. Workers at a majority of the nation’s employers – including **as many as four out of every five small businesses** – would lose their current coverage, thus providing further evidence that ObamaCare is doing exactly the opposite of what Democrats promised it would do.

Even the Administration acknowledged its broken promise, allowing [“that some people, especially those who work at smaller businesses, might face significant changes in the terms of their coverage.”](#) Media outlets highlighted the Administration’s broken promise, particularly its devastating impact on small businesses:

- *“Small Firms May Not Keep Current Health Plans After White House Decision. ... Although President Obama and many Democrats promised during the health care reform debate that ‘if you like your health plan, you can keep it,’ the health insurance plans that are now offered by small businesses probably will not survive the transition to a regulated marketplace.”* ([New York Times](#), 6/15/10)
- *“Health overhaul to force changes in employer plans. ... Over and over in the health care debate, President Barack Obama said people who like their current coverage would be able to keep it. But an early draft of an administration regulation estimates that many employers will be forced to make changes to their health plans under the new law. In just three years, a majority of workers – 51 percent – will be in plans subject to new federal requirements, according to midrange projections in the draft.”* ([Associated Press](#), 6/11/10)
- *“The Unmet Promise Of ObamaCare ... The number one question on my patients’ minds as the new health reform bill passed was whether they would be able to keep their current health care plan, like the president promised. ... Unfortunately, it’s a resounding no.”* ([Forbes](#) op-ed, 6/15/10)

## NIGHTMARE SCENARIO: TAX HIKES AND PENALTIES COULD FORCE EMPLOYERS TO DROP OR REDUCE COVERAGE

For months prior to ObamaCare's passage, employers had been warning that the bill's job-killing mandates would make it increasingly difficult for them to continue offering the same health care coverage to their workers in the future. This nightmare scenario edged closer to reality when the Obama Administration's Medicare actuary released a report stating that millions of Americans are likely to lose their employer-sponsored coverage under the new law:

*"However, a number of workers who currently have employer coverage would likely become enrolled in the expanded Medicaid program or receive subsidized coverage through the Exchanges. For example, some smaller employers would be inclined to terminate their existing coverage, and companies with low average salaries might find it to their—and their employees'—advantage to end their plans, thereby allowing their workers to qualify for heavily subsidized coverage through the Exchanges." (CMS, 4/22/10)*

[Documents](#) provided to the House Energy & Commerce Committee show that several of the nation's largest employers are already weighing the costs of complying with the ObamaCare mandates and tax hikes, versus paying the penalty for not insuring their employees. In the case of AT&T, the documents showed that the company would pay \$600 million in penalties if it dropped its employee coverage – far less than its current \$2.4 billion health insurance tab. If companies do elect to terminate coverage, the impact on taxpayers would be considerable:

*"What does it mean for health care reform if the employer-sponsored regime collapses? By Fortune's reckoning, each person who's dropped would cost the government an average of around \$2,100 after deducting the extra taxes collected on their additional pay. So if 50% of people covered by company plans get dumped, federal health care costs will rise by \$160 billion a year in 2016, in addition to the \$93 billion in subsidies already forecast by the CBO." (Fortune, 5/6/10)*

Another troubling provision of the legislation, imposing penalties on employers who charge premiums in excess of 9.5 percent of an employee's household income, could also force employers to revise the coverage options they provide. According to a [study](#) conducted by the health benefits consulting firm Mercer, nearly 40 percent of employers would be subject to the penalty. Given the administrative challenge employers would face in determining each of their employees' household incomes, some may choose to offer a much cheaper standard plan option to ensure that premiums will not exceed the affordable coverage limit. Mercer partner Tracy Watts explained the unintended consequences of the provision:

*"Simply stated, it's going to cost an employer more to offer a generous plan and cap the contributions for low-income employees at 9.5% of their income. An unintended consequence of reform may be that employers adopt a 'safety-net' plan that meets the minimum requirements as their new standard plan and offer a more generous plan at higher cost to employees." (Mercer, 4/27/10)*

## A FUTURE OF RATIONED CARE

ObamaCare was, of course, designed to introduce sweeping changes into the health care system. These changes will be brought about by an extraordinary number of new tax hikes, penalties, mandates and regulations that will inevitably alter the plans offered by employers and health insurance companies. Eventually, the government will be in a position to dictate who gets what type of care and when.

Last summer, President Obama essentially mocked claims that his health care plan would lead to rationing. Yet his nominee to take over CMS, Dr. Donald Berwick, has previously indicated his support for federal restrictions on medical treatments that are too costly. He has noted that because “we have a limited resource pool...the decision is not whether or not we will ration care—[the decision is whether we will ration with our eyes open.](#)”

In the three months since ObamaCare passed, it is clear that President Obama’s oft-stated promise that if “you like your health care, you can keep it” is quickly giving way to the harsh reality of “if you like your health care plan, too bad.”

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# DEVASTATING CUTS IN SENIORS' BENEFITS

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Of all the failures of President Obama's new health care law, perhaps the cruelest is its attack on America's seniors. The President and congressional Democrats are trying to claim their new health care law protects seniors and preserves their benefits. At the signing ceremony, the President said, "I want seniors to know, despite what some have said, these reforms will not cut your guaranteed benefits." ([Remarks](#), 3/23/10)

Rather than reform Medicare so the program will continue to be there for current retirees and generations to come, Washington Democrats treated it as a piggy bank, cutting hundreds of billions of dollars from seniors' Medicare benefits to create a new, unsustainable entitlement program. Now Democrats in Congress are backtracking, firing off letters that pretend the cuts won't affect seniors - letters that will have all the force and effect of a note passed between students in study hall.

The Obama Administration mailed a few lucky seniors a check for \$250, but failed to mention that **more than nine in 10 Medicare beneficiaries will never receive one of these checks.** Misdirection and one-time checks don't change the facts: in crafting ObamaCare, Democrats chose to protect Washington special interests rather than older Americans.

## FOUR WAYS OBAMACARE HURTS AMERICA'S SENIORS

- **"Medicare Advantage Is Gone."** The new health care law cuts more than half-a-trillion dollars from Medicare - \$528 billion - including more than \$200 billion from the popular Medicare Advantage program, which serves nearly 11 million seniors. Experts have found - and Democratic lawmakers have conceded - that these drastic cuts will lead to higher out-of-pocket costs, reduced benefits and fewer health care choices for American seniors. According to the Medicare actuary, **enrollment in the popular Medicare Advantage program will be slashed in half.** There is clearly truth behind Sen. Harry Reid's statement last year that "[Medicare Advantage is gone.](#)"
- **Reduced Benefits.** President Obama also stated last August that "what we've proposed is not to reduce benefits, benefits on Medicare would stay the same." The non-partisan Congressional Budget Office (CBO) has determined that, on average, **the value of Medicare Advantage benefits would fall by \$816** under the new law. Seniors forced off of Medicare Advantage and back into traditional Medicare would ultimately end up paying higher out-of-pocket costs.
- **Jeopardizing Access to Care.** President Obama's oft-stated promise that "if you like your doctor, you will be able to keep your doctor" was especially important to seniors. Unfortunately, the Medicare actuary determined that as a result of the new law's substantial Medicare cuts, "providers might end their participation in the program (possibly jeopardizing access to care for beneficiaries)." In fact, one out of every six hospitals, nursing homes, and other similar providers could be operating at a loss by 2019. This trend has already begun: in new data from the *Houston Chronicle*, more than 300 doctors have stopped seeing Medicare patients in Texas over the last two

years, including 50 in the first three months of 2010, with primary care physicians leading the departure.

- **No Plan to Protect Medicare.** A piece of [taxpayer-funded propaganda](#) the Obama Administration recently sent out stated that the new law will “keep Medicare strong and solvent,” but the Medicare actuary has already concluded that these deep Medicare cuts, which are being used to fund a massive entitlement program, cannot be used to make the program more efficient or solvent.

## HIGHER COSTS “FOR A RANGE OF SERVICES FOR SENIORS”

On June 7, *The Wall Street Journal* [reported](#) that “many insurance companies are planning to increase costs for a range of services for seniors next year...”:

- *“Dozens of Medicare Advantage providers plan to cut back vision, dental and prescription benefits. Some plans are eliminating free teeth cleanings and gym memberships, and raising fees for hearing aides, eye glasses and emergency-room visits. ...*
- *“Consultants cite two reasons for the cuts. The rate the government will pay private insurers to run the plans is frozen for 2011 at 2010 levels, while medical costs are expected to increase an average of at least 6%. Such price increases and benefit cuts will help them recoup that difference, the consultants say. Meanwhile, the health overhaul will impose drastic payment cuts to insurers that run the plans, and consultants say insurance companies need to begin adapting now. Starting in 2012, the law calls for a gradual reduction in government payments to insurers, totaling \$136 billion before the end of the decade.”*

## OBAMA ADMINISTRATION’S CHECKBOOK POLITICS FAIL AMERICA’S SENIORS

In an attempt to build support for ObamaCare, the White House and Washington Democrats have touted a one-time \$250 check which will go to some seniors this year. But they aren’t playing it straight with older Americans. In fact:

- Only one in 10 seniors on Medicare will actually get a check. Ninety percent will not.
- According to [CBO](#), for every senior that gets a check, three seniors will face higher premium costs.

To be fair, some Democrats were willing to admit what they were doing during the health care debate, like Senate Majority Whip Dick Durbin (D-IL), who said, “Some of our critics on the other side of the aisle have said, ‘you know, they’re [Democrats] going to cut hundreds of billions of dollars out of Medicare.’ And the simple answer is, yes.” Most ObamaCare supporters tried to deny the impact of the cuts, but the independent fact-checker *Politifact* called them out, saying:

*“[E]xperts told us it’s conceivable or even likely that those financial changes could lead to reduced benefits, particularly for people in the Advantage program. From that perspective, it’s a stretch for Obama to say that Medicare patients won’t see changes in their plans as a result.”*

Throughout the health care debate, seniors were the least likely to support President Obama's government takeover of health care. In light of the mounting revelations surrounding the devastating impact of the new law's Medicare cuts, it turns out they were certainly right to be skeptical.



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## NO PROGRESS ON STOPPING TAXPAYER-FUNDED ABORTIONS

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Americans looked at health care reform as an opportunity to protect human life – not end it. A survey [released last year](#) found that a clear majority believed health care plans should not be mandated by the government to provide elective abortion coverage. Seeming to agree, President Obama [pledged](#) that under his plan, “[no federal dollars will be used to fund abortions, and federal conscience laws will remain in place.](#)” President Obama, however, hasn’t lifted a finger to implement an Executive Order that he said would rectify the problem, even as his own administration moves forward with implementing other aspects of the new law.

Federal law has long prohibited taxpayer-subsidized abortion. The Labor/Health & Human Services/Education appropriations bill includes **language known as the Hyde Amendment that prohibits** the use of federal funds to pay for elective abortions under the Medicare and Medicaid programs and at Community Health Centers, while another provision, known as the Smith Amendment, prohibits federal funding of abortion under the federal employees’ health benefits plan. [ObamaCare ends this 30-plus year bipartisan history by forcing taxpayers to fund abortions.](#)

### DEMOCRATS’ CLAIMS THAT OBAMACARE DOESN’T FUND ABORTIONS ARE SIMPLY NOT TRUE

Throughout the health care debate, President Obama and Democratic leaders worked relentlessly to thwart the enactment of the pro-life Stupak amendment, which would have barred taxpayer funding of abortion in ObamaCare. Instead, President Obama issued Executive Order 13535, which purportedly bans federal funding of abortions and thus eliminates the need for Stupak’s amendment. The Executive Order was widely viewed as a disingenuous maneuver made in the final hours of the health care fight to buy-off “pro-life Democrats” instead of passing the anti-abortion Stupak amendment.

According to legal experts, an Executive Order alone is insufficient because it cannot override a statutory mandate unless Congress passes a law that prohibits federal funding from being used in this manner. Here is just a sampling of what has been said about the President’s Executive Order:

- *“The Executive Order promised by President Obama was issued for political effect. It changes nothing. It does not correct any of the serious pro-abortion provisions in the bill. The president cannot amend a bill by issuing an order, and the federal courts will enforce what the law says.”* ([National Right to Life](#), 3/21/10)
- *“An Executive Order cannot prevent insurance companies that pay for abortions from participating in the exchanges. Further, Executive Orders can be undone or modified as quickly as they are created. This is a blatant attempt to subvert democracy and should be quickly quashed.”* ([Dr. Charmaine Yoest](#), President & CEO of Americans United for Life Action)
- *“If the Obama Administration continued to falsely believe the Senate bill had no problem on the issue of funding abortion and funding health plans that include abortion, he certainly would not put forth the idea of an EO. Because of an EO would give no protections to the unborn when it comes to funding for abortion in the Senate and Reconciliation bills, FRCAction will still score votes on both in our scorecard for the Second Session of the 111th Congress.”* ([FRC Letter to Members of Congress](#), 3/20/10)

A [recent analysis](#) by the U.S. Conference of Catholic Bishops confirms that under the new law, “federal subsidies will be used to help expand access nationwide to abortion coverage” and that all Americans enrolled in these plans, regardless of one’s personal convictions, will be forced to “pay a nominal fee for full access to elective abortions – not to be estimated at less than ‘\$1 per enrollee, per month.’”

## **LACK OF PROGRESS ON IMPLEMENTING EXECUTIVE ORDER ON ABORTION IS TELLING**

On May 11, Health & Human Services (HHS) Secretary Kathleen Sebelius sent a letter to congressional leaders outlining her department’s “progress” in implementing the new health care law. The letter, however, failed to provide an update on the Administration’s progress in implementing the Executive Order. In his May 13, [response](#) to Secretary Sebelius, Leader Boehner noted the omission and requested clarification regarding what efforts have been made to implement the Executive Order. Having not heard back from Secretary Sebelius, Leader Boehner again requested this critical information during his June 10 meeting with President Obama.

As far as anyone can tell, the Obama Administration hasn’t lifted a finger to implement the Executive Order, even as it forges ahead aggressively with implementation of the rest of the massive new law. For the millions of Americans who care deeply about this aspect of the new law and its implementation, many questions remain unanswered:

- Has the Department of Health & Human Services provided guidance to states to implement the president’s Executive Order on abortions?
- When does the Obama Administration expect to issue a directive on abortions?
- Will the new federal high-risk pools touted by the Obama Administration also ensure that abortions will not be covered?
- What steps has the Health & Human Services Department taken to ensure that Community Health Centers will not use federal funding authorized under ObamaCare to perform abortions?

## **CODIFYING THE HYDE AMENDMENT**

The abortion question played a pivotal role in the health care debate, and as such it was the last logjam to be resolved before Democrats were able to force ObamaCare through Congress. At that late hour, given the opportunity to keep his word to the American people, President Obama instead made a backroom deal that allowed both him and “pro-life Democrats” to save face while leaving open the possibility of taxpayer-funded abortions. The sting of this betrayal lingers.

House Republicans are fighting to repeal this life-threatening law and replace it with a responsible solution focused on lowering costs and expanding access to quality, affordable care while protecting the dignity of all human life. The Republican plan would codify the Hyde amendment and prohibit all

authorized and appropriated federal funds from being used to pay for abortion. And under the Republican plan, any health plan that includes abortion coverage may not receive federal funds.

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# STATES REVOLT AGAINST OBAMACARE MANDATES

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Under our Constitution, the states are on the front lines of enforcing the laws of the land. Last June, President Obama [addressed](#) states' vital role in his health care plan by stating, "I think everybody here wants to make sure that governors have flexibility ... to make sure that when we get health reform done, it is in partnership with the states where the rubber so often hits the road." But by the time ObamaCare took effect the following spring, many states were already taking steps to protect their citizens from its costly and unconstitutional mandates.

## "HEALTHCARE REFORM COSTS SHIFT TO CASH-STRAPPED STATES"

Already facing revenue shortfalls and tough economic conditions, states were especially fearful that the law would impose new costs that would cripple their budgets. After all, President Obama's government takeover relies heavily on a massive expansion of Medicaid. It wasn't a matter of whether this measure would cost the states – it was just a question of how much. Democrats, of course, predicted the tab would not be burdensome. In the aftermath of President Obama's signing ceremony, however, cash-strapped states uncovered massive hits to their balance sheets:

- "The health bill passed by the House of Representatives Sunday would cost Nevada taxpayers an extra \$613 million from 2014-2019..." ([Las Vegas Sun](#), 3/22/10)
- "New federal health care legislation will cost the state of South Carolina and its taxpayers \$914 million." ([The State](#), 3/25/10)
- "California could take big hit from healthcare overhaul. The landmark federal reforms could cost the state \$2 billion to \$3 billion annually. State officials say there needs to be more of a partnership with the US government." ([Los Angeles Times](#), 3/24/10)
- "State estimates health care overhaul will cost Texas \$27 billion" ([Dallas Morning News](#), 4/1/10)
- "The federal health-care legislation could cost Indiana as much as \$3.5 billion over the next 10 years, according to an analysis presented Wednesday to the State Budget Committee. That estimate is up from a \$2.3 billion projection made in December before Congress passed the landmark legislation." ([Indianapolis Star](#), 5/13/10)

The non-partisan Congressional Budget Office (CBO) determined that, all told, it would cost the states an extra \$20 billion to comply with the federal government's new mandates. The Kaiser Commission on Medicaid and the Uninsured put the figure closer to \$43 billion.

On May 27, [Reuters](#) painted a grim picture of the situation under the headline "Healthcare reform costs shift to cash-strapped states:"

*“There are many factors that will come into play as the historic healthcare reform plan unfolds in states. ‘Right now, states are still in the midst of a major economic downturn facing historic declines in revenues and increased demand for public programs,’ Kaiser said. ...*

*When it comes to Medicaid, states are mostly concerned with administering the new system, said Raymond Scheppach, executive director of the National Governors Association. They will have to upgrade their databases, while building new databases to track the enrollees eligible for the 100 percent reimbursement ~ and there is no federal funding for the technology and staff. ...[S]tates will struggle to pay staff at a time when they are furloughing and laying off workers.”*

## **STATES REJECT OBAMACARE HIGH-RISK POOLS**

Another burdensome – and unfunded – mandate in President Obama’s health care law requires states to establish high-risk pools with relatively little help from the federal government. At a time when states face [\\$375 billion](#) in combined budget deficits through 2011, many of them deemed this additional layer of costs unaffordable.

As a result, a total of 18 states have exercised their right to opt-out, citing the lack of federal resources and the excessive costs and unfunded mandates it will impose on taxpayers in their communities.

This should come as no surprise to Washington Democrats. In January – two months before ObamaCare became law – the Medicare actuary [warned](#) that the federal government’s paltry \$5 billion investment in high-risk pools would be “exhausted” in two years, resulting in “substantial premium increases” that would “limit further participation.” The non-partisan Congressional Budget Office has confirmed this analysis.

On May 4, [The Washington Post](#) reported that the states’ decisions “increase the challenge the government faces as it sets out to translate the far-reaching health-care legislation into action, and they hint at the complexities to come.”

## **STATES FIGHT TO OVERTURN OBAMACARE**

Given these additional costs on already overburdened states, it’s no surprise that an effort to overturn ObamaCare began in earnest well before it became law. By mid-March, according to the American Legislative Exchange Council (ALEC), legislation had been introduced in nearly 40 states to challenge the new law.

It was fitting that Virginia, a traditionally conservative state that supported President Obama in 2008, was the first to pass a bill overturning the individual mandate at the heart of the new law. The *Virginia Health Care Freedom Act* received overwhelming bipartisan support in both the Republican-controlled House and the Democratic-controlled Senate. On March 24, Gov. Bob McDonnell signed the *Virginia Health Care Freedom Act* into law. By mid-June, three other states – Idaho, Arizona, and Georgia

- had enacted similar legislation. Arizona and three other states - Florida, Oklahoma, and Missouri - have already implemented plans to put this question on fall ballots.

Just minutes after President Obama signed the measure into law, Florida Attorney General Bill McCollum filed a lawsuit challenging the constitutionality of the new law. The [Associated Press](#) notes that 19 other states have also joined the fight:

*“Other states that have since joined him are Alabama, Alaska, Arizona, Colorado, Georgia, Indiana, Idaho, Louisiana, Michigan, Mississippi, Nebraska, Nevada, North Dakota, Pennsylvania, South Carolina, South Dakota, Texas, Utah and Washington.*

*“McCollum ... said he remains confident. ‘Our lawsuit challenges the individual mandate that violates the U.S. Constitution,’ he said. ‘Furthermore, the federal government is threatening our state sovereignty with this unprecedented expansion of federal powers and commandeering of state resources. This is not acceptable.’”*

Additionally, Virginia has filed a separate suit challenging the new law. This multi-state effort received a huge boost on May 14 when the National Federation of Independent Business (NFIB), joined the legal effort to overturn the law.

Last year, House Republican Leader John Boehner (R-OH), along with Reps. Devin Nunes (R-CA) and Mike Rogers (R-MI) launched the [GOP State Solutions project](#), an initiative aimed at highlighting solutions put forth by reform-minded governors and state officials outside the Beltway. Through the State Solutions project, House Republicans have been working with state officials, the ALEC, and grass-roots activists to advance state-level legislation declaring individual citizens’ freedom against intrusive health care mandates from the federal government.

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## TAXPAYER-FUNDED, TAXPAYER-REJECTED PR CAMPAIGN

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On March 9, Speaker Nancy Pelosi (D-CA) tried out a new – if dodgy – argument in favor of passing a government takeover of health care when she told the Legislative Conference for the National Association of Counties that Congress “[has] to pass the bill so you can find out what’s in it, away from the fog of controversy.” White House pollster Joel Benenson echoed the point four days later in [The Washington Post](#), writing that once health care reform passed, “the political burden will shift from those who supported the plan to those who voted against...”

Three months on, however, Americans remain squarely opposed to President Obama’s government takeover of health care. According to a [Gallup survey](#) released the day Speaker Pelosi talked about lifting the ‘fog,’ 48 percent of Americans opposed the President’s health care plan – 45 percent supported. A [CNN survey](#) released in late May found that opposition to the health care law had only intensified since taking effect:

*“Thinking about the health care bill which was passed into law in April, do you think the changes the new law will make to the country’s health care system will be generally good for the country or generally bad for the country?”*

	<b>Good</b>	<b>Bad</b>	<b>Unsure</b>
5/21-23/10	46%	51%	3%

*“Do you approve or disapprove of the passage of the health care bill which became law in April?”*

	<b>Approve</b>	<b>Disapprove</b>	<b>Unsure</b>
5/21-23/10	43%	56%	1%

The notion that Americans would like the bill more *after* it passed was essentially a takeoff on another flawed argument Democrats had used to buck themselves up, that the more Americans learned about a government takeover of health care, the more they would like it. As a result, this job-killing monstrosity has been rebooted, recast, renewed, refreshed, retooled, revamped, repackaged, rehabilitated, revived, and recharged – all to no effect.

### “AN IMMEDIATE PUBLIC RELATIONS BLITZ”

On March 21, the White House temporarily heartened skittish Democrats by signaling that President Obama would launch an “[immediate public relation blitz](#)” after signing his government takeover of health care into law, kicking off a three-phase marketing strategy that had been planned “quietly” in the West Wing. Officials noted that turning around public opinion would “require the law to be implemented smoothly ... with no major problems.”

Hours after the signing ceremony, however, Americans watched as the nation’s major employers began announcing, one by one, that the new law’s tax hikes were already costing them

[billions of dollars](#), immediately putting jobs at risk. Despite all the hoopla surrounding President Obama's signing ceremony, the American people still rejected his plan:

*"Health care law too costly, most say. Nearly two-thirds of Americans say the health care overhaul signed into law last week costs too much and expands the government's role in health care too far, a [USA TODAY/Gallup Poll](#) finds... Those surveyed are inclined to fear that the massive legislation will increase their costs and hurt the quality of health care their families receive.... Obama's approval rating was 47%-50% – the first time his disapproval rating has hit 50%."*

*"There was a strong reaction against the tactics Democratic leaders used to pass the bill. A 53% majority call Democratic methods 'an abuse of power;' 40% say they are appropriate." ([USA Today](#), 3/30/10)*

Out-of-touch Washington Democrats, of course, were convinced that the public's distaste for the backroom deals and underhanded tactics used to force ObamaCare through Congress would subside. They were wrong.

### **"AN INCONTROVERTIBLE DISASTER"**

Speaker Pelosi's hope that House Democrats would go home and sell the new law were dashed when many of its supporters were "content to remain beneath the radar, [reluctant to advertise](#) their role in passing the centerpiece of President Barack Obama's domestic policy agenda." *Politico* reported that "a number of House Democrats who've kept a low profile over the recess, a group largely defined by the level of political jeopardy they face this fall." By the Memorial Day recess, Democrats were "[skipping town halls](#)" altogether.

Other reports described "[mass confusion](#)" among the public regarding a law Democrats had been talking about nonstop for more than a year. On April 16, the White House's plodding effort was jolted by a [Washington Post op-ed](#) penned by pollsters for the last two Democratic presidents. In their piece, Douglas E. Schoen and Patrick H. Caddell wrote:

*"With the passage of health reform, some harsh political realities have emerged. Recent polling shows that despite lofty predictions that a broad-based Democratic constituency would be activated by the bill's passage, the bill has been an incontrovertible disaster. ...*

*"Fueling this backlash is concern that health-care reform will drive up health costs and expand the role of government, and the belief that passage was achieved by fundamentally anti-democratic means. ... Put simply, there has been no bounce, for the president or his party, from passing health care."*

Less than a week after the *Post* op-ed appeared, the White House announced it was bringing in a "new messenger" to sell ObamaCare:



*“Constantly criticized for health care law, Obama taps new messenger for administration’s view. President Barack Obama, facing a public dubious about his health care law and Democrats worried about its fallout on fall elections, tapped a veteran political operative Thursday to guide efforts to explain the law’s benefits.*

*“With Republicans attacking the health care law almost daily, some Democratic lawmakers feel the move aimed at more effective message control is overdue. Obama turned to Stephanie Cutter, the spokeswoman for Sen. John Kerry’s 2004 presidential campaign and a message specialist who has already tackled several tasks for the president. ... To nervous Democratic House candidates, [White House communications director Dan] Pfeiffer said, ‘Help is on the way.’” ([Associated Press](#), 4/22/10)*

At the end of April, [Democracy Corps](#), a Democratic activist group, reported that “health care’s passage did not produce even a point rise in the president’s approval rating or affection for the Democratic Congress.” Virtually every key tracking measure in April’s poll has remained unchanged, including the Democrats’ continued weakness on handling of the economy.

### WANTED: “MISSING HEALTH BOUNCE”

On May 11, 49 days after President Obama kicked off the first phase of his health care public relations blitz, [The Washington Post](#) announced that the “White House health-care campaign begins.” This time, the White House would narrow its focus to short-term, broad-based changes that kick in immediately, like ‘small business tax credits.’ The Administration mailed [4.4 million postcards](#) at taxpayer expense to tout these ‘tax credits,’ but most small businesses don’t benefit:

*“Health care small biz tax cut elusive. When the administration unveiled the small business tax credit earlier this week, officials touted its ‘broad eligibility’ for companies with fewer than 25 workers and average annual wages under \$50,000 that provide health coverage. Lost in the fine print: The credit drops off sharply once a company gets above 10 workers and \$25,000 average annual wages. It’s an example of how the early provisions of the health care law can create winners and losers among groups lawmakers intended to help—people with health problems, families with young adult children and small businesses.” ([Associated Press](#), 5/20/10)*

Winning the hearts and minds of small business owners took a major hit on May 14 when the National Federation of Independent Business (NFIB) announced it would [join with 20 states](#) to fight to overturn ObamaCare.

Taxpayers also ended up funding the distribution of brochures aimed at Medicare beneficiaries. These pamphlets were quickly tagged as “[propaganda](#)” for contradicting much of what the Obama Administration’s own experts have said about how the new law would hurt America’s seniors.

On May 25, [CBS News](#) reported that “there has been no change in how people expect health care reform will affect them personally. By more than two to one, Americans think it will hurt (36 percent) rather than help them (16 percent).” The [Los Angeles Times](#) went with the headline, “**Democrats in Congress fail the sales pitch.**” The White House – still convinced the problem was a Madison Avenue one, not a Main Street one – would try again.

## “YOU DIDN’T SELL IT THE FIRST TIME”

On June 7, 76 days after the White House kicked off its “[public relations blitz](#),” the White House and its liberal special interest allies announced they would “launch a [massive public relations campaign](#)” to sell ObamaCare “[all over again](#).” A veteran Democratic strategist told [AOL News](#) that the reboot was an admission of failure:

*“A veteran Democratic strategist, who has worked on issue campaigns and didn’t want to be quoted by name for fear of upsetting administration colleagues, said the coordinated campaign ‘by definition is suggesting that you didn’t sell it the first time.’ He said that the scope of the campaign, which will employ about a dozen Washington-based staffers and a \$5 million annual budget, ‘is an incredibly small amount of money in a sea of media noise.’”*

To that end, President Obama traveled to Maryland to promote Medicare rebate checks that [more than nine in 10 Medicare beneficiaries](#) will never receive. The president was confronted by “[skeptical seniors](#)” whose questions proved that “**plenty of doubts remain even now.**”

**The last thing Americans need is another taxpayer-funded PR blitz to mask the fact that this law will increase costs, destroy jobs, and add to the deficit.** It’s time for President Obama to face facts and start listening to the American people so we can [repeal this job-killing health care law](#) and replace it with [common-sense reforms](#) that lower costs and protect American jobs.

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# GOP OFFENSIVE HOLDS DEMOCRATS ACCOUNTABLE FOR BROKEN PROMISES

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The day after President Obama signed his government takeover of health care into law, [CongressDaily](#) marked the beginning of this critical “phase 2” of the health care debate:

*“Clearly, inside the White House there is acknowledgement that Republicans outmaneuvered Democrats in the weeks after the stimulus bill passed and did a better job of defining for the public what was in that bill. ... the White House is determined to learn from that experience. ‘Obama and the Democrats won’t make the same mistake,’ said Thomas Mann, who studies Congress for the Brookings Institution.”*

One White House aide boasted that Republicans had “[overshot the runway](#)” in criticizing ObamaCare.

The next day, House Republican Leader John Boehner (R-OH) released a [recess memo](#) to Republicans urging them to focus on the job-killing consequences of the new health care law. The memo kicked off a sustained, months-long offensive that tapped into the rising backlash against ObamaCare and engaged the American people in a dialogue about Republicans’ better solutions.

By mid-June, Republicans had forced a pivotal vote on the House floor that, according to [Roll Call](#), “[successfully exposed lingering divisions within the Democratic Caucus](#)” over a law that they once hoped to be their party’s landmark accomplishment. A look back at the last three months shows that Republicans have been relentless in ensuring the American people are fully aware of the new law’s drawbacks and how we can do better:

**March 29:** The House Republican Conference, led by Rep. Mike Pence (R-IN), launches an initiative dubbed [ObamaCare Flatlines](#), a series of daily e-mails that draw attention to the new law’s progress – or lack thereof. The Republican Study Committee, led by Rep. Tom Price (R-GA), also sends out daily reminders of ObamaCare’s consequences, called “[Bad Medicine](#).”

**April 12:** [Roll Call](#) reports that “Republican leaders return to Washington, D.C., this week hoping to capitalize on the negative public attitude toward the newly passed health care law, reprising the themes they used to attack the economic stimulus last year.” The paper notes that “the strategy is part of a broader GOP economic message to characterize the Democratic agenda as a series of increases to the debt and expansions of government, GOP aides said.”

**April 14:** Republicans [successfully force](#) Energy & Commerce Committee Chairman Henry Waxman (D-CA) to cancel a hearing he had scheduled to intimidate businesses into keeping quiet about the impact that the new job-killing health care law was already having on our economy.

**April 23:** Republicans [quickly pounce](#) on a new report from Richard Foster, chief actuary for the Centers for Medicare and Medicaid Services (CMS), that confirms ObamaCare will increase health care costs, not lower them as promised.

**April 28:** Republicans on the [Education & Labor](#), [Energy & Commerce](#), and [Ways & Means](#) Committees call for public hearings and testimony from Foster about his report on ObamaCare's impact on the nation's health care costs.

**May 6:** Energy & Commerce Committee Republicans [highlight new revelations](#) that American employers have considered dropping health care coverage for their employees because of ObamaCare.

**May 11:** In response to a [letter](#) sent by House Appropriations Committee Ranking Member Jerry Lewis (R-CA) and Senate Appropriations Committee Ranking Member Thad Cochran (R-MS), CBO [estimates](#) that discretionary costs for ObamaCare is likely to exceed \$115 billion over the FY 2010-2019 period. CBO further acknowledges there are a whole host of additional discretionary authorizations which have no specific funding levels and therefore cannot be factored into the \$115 billion estimate.

**May 11:** House Republicans [draw national attention](#) to the plight of White Castle, which estimated ObamaCare would hurt its ability to create jobs, particularly in low-income areas. The [Heritage Foundation](#), the [Heartland Institute](#) and others highlighted the story.

**May 13:** Leader Boehner sends a letter [in response to](#) HHS Secretary Kathleen Sebelius' "progress report" on the law, noting that it "made no mention of the stream of private-sector job creators nationwide, small and large, who in the days since the law was enacted have announced they will be forced to cut back on hiring, expansion, employee benefits and other priorities for working families as a result of the law's hostile mandates and penalties."

**May 14:** House Republicans - including House [Small Business Committee Ranking Republican Sam Graves](#) (R-MO) - highlight the National Federation of Independent Businesses' (NFIB) bombshell announcement that it would join the growing state legal revolt against ObamaCare.

**May 17:** Senator John Barrasso (R-WY), an orthopedic surgeon, joined with other Republican colleagues to launch "[Second Opinion](#)," an effort to sound the alarm about ObamaCare's harmful consequences. [Roll Call](#) notes that the effort is part of Republicans' "coordinated political messaging offensive to target Democrats and the White House."

**May 20:** House Republicans [join small business operators](#) from outside the Beltway for a [news conference](#) to discuss the destructive effect President Obama's new health care law is having on their ability to create new jobs for Americans who are out of work.

**May 24:** Ways & Means Ranking Member Dave Camp (R-MI) and Health Subcommittee Ranking Member Wally Herger (R-CA) expose a new Health and Human Services (HHS) Medicare mailing as [blatant propaganda](#), noting the document is highly misleading and a potential abuse of taxpayer funds.

**May 25:** House Republicans, led by Reps. Kevin McCarthy (R-CA) and Peter Roskam (R-IL), unveil [America Speaking Out](#), an unprecedented initiative to shake Washington from its slumber by giving Americans a megaphone to make their voices heard on health care and other critical issues.

**May 26:** Reps. Camp and Herger [send a letter](#) to the HHS Secretary and a [letter to the Government Accountability Office](#) outlining their concerns that HHS' Medicare mailer violates propaganda distribution regulations.

**May 27:** Key Senators (including Sens. McConnell, Kyl, Alexander, Enzi, Thune, Grassley, Coburn and Barrasso) send a [letter to HHS Secretary Sebelius](#) identifying numerous inaccuracies in the Medicare mailer and requesting any and all information pertaining to its development and distribution.

**May 27:** The House GOP Health Care Solutions Group, chaired by [Rep. Roy Blunt](#) (R-MO), holds the first in a series of [public forums](#) on the "true cost" of the health care law to families and small businesses.

**May 27:** Rep. Wally Herger (R-CA), along with House Republican leaders and ranking members, introduce the [Reform Americans Can Afford Act](#), legislation that would repeal ObamaCare and replace it with common-sense solutions focused on lowering costs and protecting American jobs.

**May 28:** Education & Labor Republicans [bring to light](#) a presentation from CBO Director Elmendorf which states: "Rising health costs will put tremendous pressure on the federal budget during the next few decades and beyond. In CBO's judgment, the health legislation enacted earlier this year does not substantially diminish that pressure."

**June 2:** Energy & Commerce Committee Republicans send a [letter to President Obama](#) asking him how they can keep employers from dropping coverage.

**June 10:** Boehner, in a meeting at the White House, asks President Obama to provide an update on the implementation of an Executive Order that purportedly bans taxpayer funding of abortions.

**June 15:** House Republicans [successfully force a vote](#) to repeal the job-killing and unconstitutional 'individual mandate' at the heart of ObamaCare. The vote emanates from an idea posted by Rep. Dave Camp (R-MI) on [America Speaking Out](#). According to [Roll Call](#), the effort "successfully exposed lingering divisions within the Democratic Caucus" over the new law.

**June 17:** Senator Orrin Hatch (R-Utah) introduces [two pieces of legislation](#) striking at the heart of the ObamaCare: the *American Liberty Restoration Act* (S. 3502), which would repeal the unconstitutional 'individual mandate,' and the *American Job Protection Act* (S.3501), which would repeal the job-killing 'employer mandate.'

**June 17:** House Republicans hold a public forum through [America Speaking Out](#) that examines how

the new health care law is [making it harder to create jobs](#) and boost our economy. Chaired by [Education & Labor Committee Ranking Member John Kline](#) (R-MN), the forum examined alternative approaches to expand access to quality health care without stifling job creation.

**June 22:** House Republican Whip Eric Cantor (R-VA) and Rep. Fred Upton (R-MI) announce that Republicans will force a vote on a proposal to prohibit new funding for the IRS for the purpose of enforcing the individual health care mandate, saving taxpayers between \$5 and \$10 billion. The proposal was selected by the American people as the week's YouCut [winner](#).

By the time Washington Democrats had launched their umpteenth reboot of ObamaCare, Republicans' efforts had clearly broken through:

*“Evan Tracey, who tracks political and public affairs advertising, said the administration has a ‘branding problem’ in which the derogatory ‘ObamaCare’ label has drowned out efforts to explain what the law entails. He said that groups opposed to health care reform have spent \$21 million in ads. Supporters have spent only \$18 million, most of it earlier this year in ‘soft messages’ that have been drowned out by the antis’ ‘much harder and to the point’ spots, Tracey said.”* ([AOL News, 6/7/10](#))

It looks like there is plenty of room left on that runway, after all.

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# BETTER SOLUTIONS TO LOWER HEALTH CARE COSTS

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When Republican Leader John Boehner (R-OH) handed Speaker Nancy Pelosi (D-CA) the gavel at the beginning of the 111th Congress in January 2009, he said Republicans would strive not to be the party of opposition, but the party of better solutions. Over the last 18 months, on issue after issue, Republicans have kept that promise and offered alternative solutions to the Democrats' trillion-dollar "stimulus" bill, their "cap-and-trade" national energy tax, the government takeover of health care, and a host of other issues.

In May 2009, House Republican leaders sent a [letter](#) to President Obama requesting a meeting with him to discuss areas for potential common ground on health care reform and to discuss the efforts of the [House GOP Health Care Solutions Group](#), which was working on the issue. Unfortunately, President Obama declined and instead chose to work only with Democrats.

In stark contrast to the costly, job-killing proposal cobbled together by President Obama and Washington Democrats in backroom deal after backroom deal, Republicans offered a more targeted, common-sense approach that focused on lowering costs, which is Americans' top priority. Before House debate of the Democrats' government takeover of health care in November 2009, Republicans introduced [legislation](#) to lower health care premiums for families and small businesses, increase access to affordable, high-quality care, and promote healthier lifestyles – without destroying jobs, slashing Medicare, and adding to the crushing debt Washington has placed on our children and grandchildren. The Congressional Budget Office (CBO) [confirmed](#) the GOP plan would lower premiums for the American people by up to 10 percent and reduce the deficit by \$68 billion over 10 years.

## MEDIA HIGHLIGHTS COMMON-SENSE GOP PLAN

Republicans knew that Americans wanted a step-by-step, common-sense approach to health care reform designed to lower costs and protect jobs, not a bureaucratic government takeover of health care. The entire focus of the GOP reform effort focused on lowering costs. Here are just several highlights from the GOP plan:

- “*GOP urges simpler, less expensive health care plan. Republicans say the Democrats’ proposal to overhaul health care is far too complicated, intrusive and expensive and are urging several steps they claim would bring down costs while not greatly expanding government involvement. House Minority Leader John Boehner, R-Ohio, outlined a health care alternative in the GOP’s weekly radio and Internet address Saturday. Boehner said a number of steps could be taken, such as letting people buy health insurance across state lines, allowing people and organizations to pool together to buy insurance for lower prices and reining in malpractice lawsuits.*” ([Associated Press](#), 10/31/09)
- “*Unlike the Democrats’ strategy of trying to provide near-universal coverage and force other major changes to the insurance system, the Republican approach is an incremental one with a different goal – controlling healthcare costs. GOP lawmakers propose to do so through market-oriented measures that would limit medical malpractice lawsuits, expand the use of tax-sheltered medical savings accounts, let people shop for*

insurance outside of their own states and make it easier for small businesses and hard-to-insure people to get coverage. The ideas reflect conservatives' suspicion of sweeping new programs, federal spending and additional regulation." ([Los Angeles Times](#), 11/5/09)

- "Republican health plan would reduce premiums, cut deficit. The Congressional Budget Office Wednesday night released its cost analysis of the Republican health care plan and found that it would reduce health care premiums and cut the deficit by \$68 billion over ten years. The Republican plan does not call for a government insurance plan but rather attempts to reform the system by creating high-risk insurance pools, allowing people to purchase health insurance policies across state lines and instituting medical malpractice reforms. ... According to CBO, the GOP bill would indeed lower costs, particularly for small businesses that have trouble finding affordable health care policies for their employees." ([Washington Examiner](#), 11/5/09)
- "The GOP plan deals strictly with cost and access and avoids the distracting intrusions into personal health care choices contained in the Democratic package. The idea of enacting reform on a smaller scale and at a more deliberate pace ought to have some appeal to a Congress that has been inundated by concerns from constituents worried that the Democratic proposal will radically change the system, and not for the better. Republicans are doing what a responsible opposition party should do – offering an alternative that reflects their values and is a practical solution to an issue that has grown far too divisive." ([Detroit News](#) editorial, 11/5/09)

## REPEALING & REPLACING OBAMACARE WITH COMMON-SENSE SOLUTIONS TO LOWER HEALTH CARE COSTS

Despite the overwhelming opposition of the American people, congressional Democrats refused to listen and rammed through their government takeover of health care. President Obama signed it into law on March 23, 2010. In contrast, House Republicans have been listening. Public calls for repeal of the new law are [rising](#) – and Republicans are on offense, calling attention to steadily-mounting evidence that President Obama's massive health care law is raising health care costs and crushing small business job creation at a time when the American economy can least afford it.

The rising backlash culminated with the introduction of the [Reform Americans Can Afford Act](#) (H.R. 5424) on May 27, 2010 by Rep. Wally Herger (R-CA), House Republican leaders and ranking members. The Herger legislation would repeal ObamaCare and replace it with common-sense solutions designed to lower health care premiums by up to 20 percent compared to the Democrats' law, according to CBO. The Herger bill would also repeal the one-half trillion dollars in ObamaCare tax increases and one-half trillion dollars in ObamaCare Medicare cuts that the Center for Medicare and Medicaid Services' actuaries said could jeopardize access to care for Medicare beneficiaries to create a new entitlement program.

Courtesy of [House Ways & Means Committee Republicans](#), here are the key elements of the *Reform Americans Can Afford Act*:



- **Lowering health care premiums.** H.R. 5424 will lower health care premiums by up to 10 percent – and up to 20 percent compared to the Democrats’ health law – for families and small businesses, addressing Americans’ number-one priority for health care reform.
- **Establishing Universal Access Programs to guarantee access to affordable health care for those with pre-existing conditions.** H.R. 5424 creates Universal Access Programs that fully fund and reform high-risk pools and reinsurance programs to guarantee that all Americans, regardless of pre-existing conditions or past illnesses, have access to affordable care – while lowering costs for all Americans.
- **Ending junk lawsuits.** H.R. 5424 would help end costly junk lawsuits and curb defensive medicine by enacting medical liability reforms modeled after successful state laws that reduce unnecessary spending and lower health insurance premiums.
- **Preventing insurers from unjustly cancelling a policy.** H.R. 5424 prohibits an insurer from cancelling a policy because an enrollee made simple errors on an insurance application form.
- **Allowing dependents to remain on their parents’ policies.** H.R. 5424 encourages coverage of young adults on their parents’ insurance through age 25.
- **Encouraging Small Business Health Plans.** H.R. 5424 gives small businesses the power to pool together and offer health insurance at lower prices, just as corporations and labor unions do.
- **Encouraging innovative state programs.** H.R. 5424 rewards innovation by providing incentive payments to states that reduce premiums and the number of those who are of uninsured, without expanding government entitlement programs or creating new ones.
- **Allowing Americans to buy insurance across state lines.** H.R. 5424 increases insurance competition and lowers premiums by allowing Americans to shop for coverage from coast to coast regardless of the state they live in.
- **Promoting healthier lifestyles.** H.R. 5424 promotes prevention and wellness by giving employers greater flexibility to financially reward employees who adopt and maintain healthier lifestyles.
- **Enhancing Health Savings Accounts (HSAs).** H.R. 5424 creates new incentives to save for future health needs and allows qualified participants to use HSAs to pay health insurance premiums.

At the same time, House Republicans are engaging the American people through [America Speaking Out](#) and giving them a voice in creating a new governing agenda for Congress. After hearing [loud](#) and [clear](#) from the American people that they oppose the Democrats’ government takeover of health care, on June 15 House Republicans forced a vote on a measure sponsored by Ways & Means Committee Ranking Member [Dave Camp](#) (R-MI) that would repeal the job-killing, unconstitutional ‘individual mandate’ at the heart of ObamaCare. Rep. Camp posted the idea on the [America Speaking Out](#) website, where Americans can read about it, vote on it, start a discussion, and share their ideas.

# OBAMACARE VS. GOP BETTER SOLUTIONS

	OBAMACARE	House GOP's <i>Reform Americans Can Afford Act</i>
<b>Does It Lower Premiums?</b>	<b>NO.</b> Individuals purchasing their own insurance will end up paying an extra \$2,100 more under ObamaCare, according to CBO.	<b>YES.</b> The GOP plan reduces premiums for families by <b>as much as 10 percent</b> – and up to 20 percent compared to the Democrats' health care law.
<b>Does It Protect Jobs?</b>	<b>NO.</b> ObamaCare requires employers to either provide coverage deemed "acceptable" by Washington or pay a steep tax. According to a model developed by White House economists, these mandates – coupled with tax increases in the bill – would destroy as many as <b>2 million American jobs</b> over the next decade.	<b>YES.</b> The GOP plan protects jobs by lowering premiums for small business owners and their employees by <b>as much as 10 percent</b> , according to CBO.
<b>Is It Fiscally Responsible?</b>	<b>NO.</b> CMS indicates ObamaCare will increase federal spending on health care by <b>\$311 billion</b> over ten years, as well as increase federal spending on health care in the following decade.	<b>YES.</b> The GOP plan would cut the deficit by <b>\$68 billion</b> over the next 10 years, according to CBO estimates. The GOP plan is the only one that consistently reduces federal spending on health care over the next two decades.
<b>Does It Force Patients to Give Up Their Employer-Based Health Care Plan?</b>	<b>YES.</b> New regulations from the Administration show that by 2013, <b>87 million Americans</b> , or one out of every two with employer coverage, will no longer be able to retain the health plan they have and like.	<b>NO.</b> The GOP plan empowers patients to gain access to the quality, affordable health care coverage they and their families deserve.
<b>Does It Protect Families and Small Businesses From Massive Tax Hikes?</b>	<b>NO.</b> ObamaCare imposes <b>\$569.2 billion in tax increases</b> on working families, large employers, and small business owners.	<b>YES.</b> The GOP plan protects family budgets.
<b>Does It Protect Medicare?</b>	<b>NO.</b> CBO estimates ObamaCare would cut Medicare by <b>more than \$500 billion</b> over the next 10 years to create massive new entitlement programs.	<b>YES.</b> The GOP plan protects Medicare.
<b>Does It Provide Sustainable Coverage for Pre-Existing Conditions?</b>	<b>NO.</b> ObamaCare imposes an unworkable, one-size-fits-all fix through Washington mandates that will inevitably raise the cost of insurance.	<b>YES.</b> The GOP plan establishes Universal Access Programs to help guarantee access to affordable coverage, including for individuals with pre-existing conditions.
<b>Does It Prevent Taxpayer-Funded Abortions?</b>	<b>NO.</b> The federal government is authorized to cover elective abortions under ObamaCare by way of a <b>"monthly abortion premium."</b>	<b>YES.</b> The GOP plan codifies the Hyde Amendment, which prohibits the use of federal funds to pay for elective abortions.
<b>Does It Protect The Doctor-Patient Relationship and Prevent Rationed Care?</b>	<b>NO.</b> ObamaCare creates an 'Independent Payment Advisory Board' that empowers bureaucrats to make binding recommendations regarding cost reductions in Medicare, and a comparative effectiveness program that could dramatically change the practice of medicine.	<b>YES.</b> The GOP plan strengthens the doctor-patient relationship and prevents rationed care by making care more affordable and accessible.
<b>Does It Tackle Junk Lawsuits?</b>	<b>NO.</b> ObamaCare fails to meaningfully address the need to put an end to junk lawsuits that contribute to higher health care costs.	<b>YES.</b> The GOP plan implements reforms that will protect doctors from a feeding frenzy of trial lawyers.
<b>Does It Protect State Budgets?</b>	<b>NO.</b> ObamaCare will cost cash-strapped states at least <b>\$20 billion</b> over the next 10 years, according to CBO.	<b>YES.</b> The GOP plan rewards states for implementing innovative solutions to make health care more accessible and affordable.

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## CONCLUSION

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This report is the latest chapter in Republicans' efforts to address the public's continued disapproval of a law they did not want in the first place. While Republicans continue to offer better solutions, Washington Democrats still refuse to listen, even as the new law's broken promises continue to pile up:

- **Making it harder to put people back to work** instead of creating jobs 'immediately' as promised.
- **Raising costs and increasing the deficit** instead of lowering costs and adhering to common-sense fiscal discipline as promised.
- **Forcing 87 million Americans off their current coverage** instead of protecting access to coverage as promised.
- **Failing to lift a finger to implement a critical Executive Order** that purportedly protects taxpayers from being forced to fund abortions.
- Imposing **massive burdens on cash-strapped states**.
- **Failing to win public support** despite making taxpayers fund a massive PR campaign.

There was a moment earlier this year when Washington Democrats wavered on whether to force their government takeover of health care through Congress. It was in mid-January, shortly after the people of Massachusetts – the bluest of blue states – elected a Republican to fill Sen. Ted Kennedy's seat. It was a stunning upset widely attributed to the public outcry against Democrats' big government, 'Washington-knows-best' policies. Three days after Senator Scott Brown's (R-MA) victory, Republican Leader John Boehner (R-OH) said in the Weekly Republican Address:

*"President Obama and Democrat leaders in Washington now have a choice: work with Republicans to get our nation back on its feet, or double down on the job-killing policies that are making matters worse."*

Of course, out-of-touch Washington Democrats did choose to double down, and now American families and small businesses are all experiencing the ramifications of that decision. But as Leader Boehner went on to say:

*"If the powers that be in Washington keep turning their backs on the people, Republicans will continue to challenge the status quo and offer better solutions. Our fight for reform, for freedom, and for common-sense is far from over."*

Indeed, Republicans recognize that we work for the taxpayer, not the other way around, and we will continue to confront and challenge this government takeover of health care at every turn. Too much is at stake for any elected official – Republican, Democrat, or independent – to stand idle while ObamaCare continues to destroy jobs, hurt our economy, and increase the burden on families and small businesses.