

What Does Health Care Reform Mean for You?

We've fought to improve our health care system for decades—now we've won and health care reform is law. But what does this law mean for you and your family?

The First Two Things You Need to Know

1. You will continue to have the employer-sponsored health coverage you win at the bargaining table.
2. The proposed excise tax has been put off until 2018 and the dollar impact reduced by 85 percent, thanks to our work.

Here's what else the health care reform law does for you:

Holds Insurance Companies Accountable

- Ends the worst insurance company abuses like denying coverage because of pre-existing conditions (this year for children and for everyone in 2014) and dropping coverage when someone files a claim. It eliminates lifetime limits on benefits and regulates annual caps on benefits until 2014, then eliminates them altogether.
- Stops wasteful spending on executive salaries by limiting how much of your insurance premium can go toward company administration and profits. An insurer that goes over the limit has to rebate the excess back to consumers.
- Gets a handle on excessive rates, mandating state and federal review of insurance plans that demand big premium increases.

- Ends discrimination against women by forcing insurance companies to stop charging more for groups with higher percentages of women, beginning in 2014.

Holds Employers Accountable

- Requires large employers to pay a penalty if their employees have to get subsidies in the exchanges to buy their own insurance.

Lowers Costs

- Expands the "risk pool" by covering nearly everyone and creates health insurance exchanges that will increase competition and help lower premium costs over time for all plans.
- Reimburses plans for early retiree costs through a \$5 billion reinsurance fund.
- Creates the largest tax cut for health care in history by giving tax credits and cost-sharing assistance to low- and middle-income Americans in the exchanges.
- Gives people buying their own insurance access to lower group rates through the insurance exchanges.

- **Limits what people have to pay for premiums and out-of-pocket costs**, using a sliding scale based on income.
- **Creates Medicare delivery and payment reforms** that will reduce costs throughout the health care system.

Expands Health Care Coverage to Nearly Everyone

- **Extends coverage to 32 million more Americans** by 2019 by creating new health insurance exchanges—where members of Congress will be required to get their health coverage—and subsidizing coverage for those who can't afford it.
- **Helps small businesses provide their workers with insurance** through tax credits that cover 35 percent of premium costs immediately and 50 percent in 2014.
- **Enables you to get affordable insurance coverage** through insurance exchanges that start in 2014—even if changing jobs or losing a job means you lose your employer-provided coverage.
- **Helps ensure your children have health care** starting this year by barring insurance companies from denying coverage to children based on pre-existing conditions and allowing children to stay on your policy until they are 26 years old.

Lowers Costs and Improves Care for Seniors

- **Closes the Medicare Part D prescription “donut hole”** with a \$250 rebate this year, a 50 percent

discount on brand-name drugs in the donut hole starting next year and closing the coverage gap completely by 2020.

- **Provides free Medicare preventive care for seniors** starting Jan. 1.
- **Ensures Medicare will be there for you when you retire** by reducing excessive payments to insurance companies through Medicare Advantage.

Invests in Health Care Professionals

- **Invests in training for primary care doctors, nurses and public health professionals** to reverse the shortage of primary health care workers.
- **Enables more doctors to stick with primary care** by increasing their payment rates.
- **Encourages doctors to serve Medicaid patients** by raising Medicaid payment rates.
- **Increases funding for community health centers** to double the number of patients they can serve over the next five years.

Lowers the Federal Deficit

- **Cuts the deficit by \$138 million over 10 years and \$1.2 trillion over the following decade**, according to the independent Congressional Budget Office.

For more information, visit www.aflcio.org/healthcare.

FICTION	FACT
<p>Health care reform is a government takeover. It's socialist.</p>	<p>Health care reform builds on the current system of private health insurance, and private insurance coverage actually will increase under reform.</p>
<p>Health care reform means you will have to give up the health plan and doctor you have now. Government bureaucrats in Washington, D.C., will be telling you and your doctor what you can and cannot do.</p>	<p>Every American still will be able to choose his or her own doctor and health plan and make care decisions with that doctor. Doctors will not be told what to do by Washington bureaucrats, but will get much more support providing quality care. Reform will put a stop to many of the hassles you and your doctor experience now with insurance companies.</p>
<p>Because of this new law, employers will be able to cut collectively bargained health benefits or require union members to pay more.</p>	<p>Nothing in the reform bill changes employer obligations under federal law to bargain collectively with your union on mandatory subjects of bargaining such as health benefits. Rather, by helping to bring down health care costs, reform will put your union in a stronger position at the bargaining table.</p>
<p>Health care reform cuts Medicare and Social Security.</p>	<p>Health care reform does not cut any guaranteed Medicare benefits. It increases Medicare benefits by providing free preventive care and cheaper brand-name drugs and closing the "donut hole" in Medicare Part D. Reform also strengthens the Medicare trust funds. The cost savings in Medicare come from insurance companies and health care providers, not from seniors. The reform legislation makes no changes at all to Social Security.</p>

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Health care reform is too expensive and will swell the budget deficit.	Reform will reduce the federal deficit by \$138 billion over 10 years and by another \$1.2 trillion in the following decade, according to the independent Congressional Budget Office (CBO).
We cannot afford to fix health care in an economic crisis.	We cannot afford not to fix health care. Rising health care costs are bankrupting families and businesses, and are the cause of our long-term deficit problems. Without reform, we cannot possibly bring health care costs under control.
Health care reform will kill jobs.	Rising health care costs are killing jobs now. Reform will help create jobs by laying the groundwork for bringing health care costs under control and by giving businesses more affordable coverage options.
The “individual mandate” to buy health insurance is unconstitutional.	To make it possible to outlaw insurance company abuses, health care reform imposes a modest penalty on individuals who can afford to pay for their own insurance but fail to do so. This “individual mandate” is one of many Republican ideas incorporated into the bill. The penalty is clearly constitutional under Congress’ authority to “lay and collect taxes to provide for the general welfare” and to “regulate commerce among the several states.” Most legal experts agree the Supreme Court is extremely unlikely to strike down the individual mandate, and would have to reject decades of precedent to do so.
Health care reform will lead to rationing.	Reform will not change your health plan if you already have one, and will not reduce benefits under Medicare or Medicaid. Nothing will stand between you and your doctor or prevent you from making the best health care decisions. But reform will end current forms of rationing by preventing insurance companies from denying you the care you need and by enabling 32 million uninsured people to obtain coverage.
Health care reform will raise taxes on the middle class.	By far the biggest tax revenue to pay for reform is a tax on those who earn more than \$200,000 per year (\$250,000 for joint returns). The excise tax on high-cost insurance plans has been reduced 85 percent from the original proposal, and accounts for only 3 percent of the bill’s funding.

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<p>Health care reform will increase premiums.</p>	<p>The CBO projects that reform actually will lower premiums slightly for group health plans and by 14 percent to 20 percent (for the same coverage) for people who purchase their own insurance individually in the exchanges. It will lower costs by reducing cost-shifting for uncompensated care for the uninsured, creating more competition under the new exchanges, reimbursing plans for the costs of early retirees, allowing individuals to obtain group rates in the exchanges and instituting cost-saving delivery and payment reforms under Medicare that will set the standard for the private sector.</p>
<p>Democrats rammed health care reform down our throats too fast even though the American people oppose it.</p>	<p>In 2008 President Obama and House and Senate Democratic majorities ran on a platform of health care reform, and the American people elected them. Congress then debated health care reform for 14 months. Senate Democrats incorporated 147 Republican amendments and abandoned popular ideas (such as the public option) that Republicans did not like. In fact, health care reform mirrors the plan championed by Republican Gov. Mitt Romney in Massachusetts and a 1994 proposal by Senate Republicans. The Senate passed its bill with a supermajority of 60 votes. Polls show that a majority of Americans approve of this legislation and strongly approve of its various components.</p>
<p>VA (veterans') care will be cut.</p>	<p>Nothing in health care reform will hurt or change veterans' health care, which has seen historic increases under this Congress and continues to improve.</p>
<p>Health care reform will lead to a shortage of doctors.</p>	<p>Health reform expands the number of trained doctors in our country through new scholarships, loans and loan repayment assistance to help recruit new doctors and nurses, especially primary care providers. It also raises pay for primary care physicians to encourage them to stay in the field.</p>
<p>The IRS will hire up to 18,000 new staff to audit people to check their health insurance status.</p>	<p>The claim about "18,000" new IRS agents was the invention of Republican congressional staff trying to scare people. The IRS commissioner recently testified the agency will not audit individuals to verify their compliance, and insurance companies will merely certify to the IRS that an individual has coverage. The major role for the IRS will be to educate, notify and help people and businesses apply for new subsidies and tax</p>