



COLORADO CENTER
on LAW & POLICY

Justice and Economic Security for all Coloradans

Health Reform: Frequently Asked Questions

You've got questions? We've got answers.

August 2009

BENEFITS OF REFORM: What's in it for you

Q: What does health care reform mean for me?

A: More choice, lower costs, and some peace of mind that you'll never be denied insurance coverage because you have a pre-existing condition. You will be in control of your health care, not the insurance companies. All of the plans being considered in Congress are designed to expand coverage, decrease costs, and make sure that you can keep your current plan and doctor, if you want to. If you like what you have now, you don't have to change. But if you're one of the millions of Americans tired of fighting with insurance companies and getting denied coverage, reform means that you'll be able to get the care and coverage you need.

Q: Does reform mean that I will lose my health insurance?

A: No. Every proposal in Congress provides by law that any person who wishes to maintain their current insurance will be entitled to do so; no one would be required to change policies, doctors, or insurers.

Q: Will I be able to keep my employer-based health insurance?

A: Yes. So long as your employer maintains coverage, you will still be entitled to continue to participate in your employer-sponsored plan. Just as employers now have the power to shift insurance plans for their employees, they would still be permitted to choose a different plan or potentially the public option, but it's not clear right now whether the public option will even be available to employer groups. Either way, with health reform, consumers and employers would have more affordable insurance options.

Q: What if I or someone in my family has a pre-existing condition—won't insurance companies still be able to deny us?

A: No. The health care reform plans under consideration in Congress do not allow insurance companies to deny or charge people more for pre-existing conditions. That means you won't have to worry about getting denied today because of some illness or health issue you had ten years ago.

Q: What will happen if I change jobs or move?

A: You will be able to get coverage. Guaranteed coverage is a central goal of all the reform plans being considered. Currently, changing jobs could force you into the individual insurance market where

you might be charged a very high price or even denied coverage altogether because of your health status. With health reform, should you move or lose your job, you would go to the new Exchange or “Gateway” where you could choose from a number of private insurance plans or a public option that provide comprehensive benefits. You could not be denied coverage or charged more because of your health status. Americans would no longer have to fear losing health coverage because of a job loss or move.

Q: Will reform make my health care costs go up?

A: No. Right now premiums and other health care costs are skyrocketing. Families on average pay almost \$1,000 a year in a hidden tax to pay for the uninsured. Reform will fix that. One of the goals of health reform is to create more competition in the insurance market, spread risk across larger numbers of people, and decrease costs by making health care delivery more efficient. The result of that will be lower long-term costs for everyone. If reform fails, within seven years, your premiums will rise 90 percent and deductibles will increase 70 percent. We need reform to stop this explosion of costs. Fixing health care and insuring everyone will strengthen our economy by making coverage and care more affordable for families and businesses.

Q: Won't government run health care mean longer wait times and that I can't pick my doctor?

A: No, absolutely not. First, no one is going to have to change anything about their health care if they don't want to. The Public Option is just what it sounds like- an option, meaning you can choose whether you want to participate. And, there is nothing in the health reform proposals that takes away a person's ability to choose their own doctor. Second, most of the proposals in Congress include strategies to address the shortage of doctors in rural areas and elsewhere. Finally, emergency room wait times can and will be reduced if more people have access to doctors, and don't go to the ER for basic care. That's one of the key goals of health reform: making sure people have the control and choice over their own health care.

Q: What's the rush, why do we need to hurry toward reform?

A: Because people are dying. Right now, 22,000 people are dying in America each year because they don't have adequate health care. And 44,000 people are losing coverage every week. Every week, nearly 800 Coloradans lose their coverage. Additionally, small businesses are going under because health coverage costs too much, and families are going deeper into debt or even losing their homes because health care is too expensive. Families and businesses can't afford to wait any longer for reform. If we wait or don't act, families are guaranteed to spend more and more of your hard-earned money on health care with no relief in sight. The cost of health care is outpacing incomes, by three to five times in some cases. In Colorado, we can expect health insurance to eat up nearly 40 percent of median household income within the next six years, and the cost of individual insurance to increase nearly ten percent per year.

POLICIES OF REFORM: What does reform mean for health care in general

Q: What is a Public Option and why do we need it?

A: A public option is a publically-operated, non-profit insurance entity that would provide those who want one, an alternative to private insurance coverage. The advantages are that it would provide more affordable options for families and small businesses, and much needed competition within the insurance industry. It could also use its large buying power to negotiate lower prices and to modernize the health care delivery system – for instance, by rewarding doctors for providing quality care, encouraging prevention so people can actively manage their own health, or developing health

information technology – that would lead to create greater efficiency, quality, and cost containment in the system overall. It helps put control back in the consumer’s hands, not the insurance companies.

Q: Will a Public Option mean rationed care and the government making my medical decisions?

A: No. Currently, insurance companies stand between you and your doctor, making medical decisions by denying care or offering limited benefit packages. Pharmaceutical companies spend enormous amounts to promote their own products, even if others’ work better. A public insurance option would help doctors and patients provide more effective treatments and care, so they can avoid ineffective, wasteful, and potentially harmful treatments. Again, the public option is merely another way to increase competition, help lower costs, and provide better care.

Q: Will a public insurance option make private insurers go out of business?

A: No. A public insurance option will help increase competition in the insurance market, help lower costs, and hold insurance companies—many of which operate in a monopoly—more accountable to consumers.

Q: What are these “Gateways” or “Exchange” I’ve heard about?

A: Insurance Exchanges are “markets” where individuals and small businesses could shop for affordable, comprehensive coverage. The Exchange would provide a one-stop shop so that consumers can make apples-to-apples comparisons among a simplified range and number of insurance plans, as well as determining whether they are eligible for any public programs or subsidies. To offer a product in the Exchange, companies would have to meet certain requirements: All insurance products in the Exchange will be “guaranteed issue,” meaning that individuals may not be turned down or charged more because of any health conditions. All plans would also have to provide minimum, comprehensive standards for benefit packages to assure that people have access to adequate coverage. These critical reforms will force insurers in the Exchange to compete on cost and quality rather than on their ability to reject higher-risk consumers, as they currently do. Spreading the risk among large groups of people will improve administrative efficiencies and lower costs.

Q: My community doesn’t have enough doctors and nurses right now. Will health care reform make that shortage worse?

A: No. All the health care reform proposals in Congress have “workforce development” components, including medical school debt forgiveness; rebalancing the reimbursement levels away from specialty care and toward primary care; and allowing healthcare professionals other than doctors to provide more care to patients, that would both free up doctors and control costs. While this is a challenge—more people covered means greater demand for health care providers—it’s one that can be met.

Q: How is the government going to pay for all of this?

A: To pay for reform the proposals in Congress include various combinations of long-term cost savings, redirecting money in the current health care system, and raising new revenue. These proposals are still being debated, and there is not yet final consensus on any one plan. One option being considered by the House is a surtax on very high income Americans. The President has also said that he supports limiting the charitable deduction for high income families as a way to help pay for reform. Such options would also help to improve the fairness and equity in the system. None of the plans being considered would raise taxes on low- or middle-income Americans.

Q: Why should everyone have to buy health insurance?

A: So we can lower costs. Insurance is about sharing risk so that everyone has coverage when they need it at an affordable price. Sharing risk means sharing the benefits. Insurance doesn’t work if

people can wait until they are sick to buy a policy. People have to pay in all along so that there is enough money in the system to cover them when they get sick and need care. The only way to make this work is for everyone to participate, so everyone can benefit.

Q: What if people can't afford insurance they are supposed to buy?

A: Currently, health care is already unaffordable for many families—even families earning up to 500% of the federal poverty level. If health reform doesn't pass, that will only get worse. The New America Foundation estimates that by 2016 the cost of health insurance for Colorado families will increase by 91%. That means that a middle-income family will spend about \$25,000 a year on health insurance. That's not affordable. All of the proposals in Congress would stop the exploding costs, increase eligibility for public programs, and provide subsidies for families who could not afford insurance.

Q: Why do we need to continue to support public programs like Medicaid?

A: Despite the reforms to the private insurance market and the creation of subsidies to help moderate income people buy insurance, there will still be millions of people who simply cannot afford to pay for health insurance. Current proposals will increase the eligibility threshold for Medicaid to 133% of the federal poverty level for all lawful residents under 65. This will provide coverage for one third of all people who are uninsured. Medicaid provides a comprehensive benefits package to high need and low income people because they don't have the resources to pay for care.

Q: Anyone can get health care right now by walking into an emergency room, so why do we need health care reform?

A: Emergency room care is some of the most expensive health care, and only treats acute/emergency conditions. Hospitals only have to treat you if you are at immediate risk of losing life or limb, or are in active labor. You can be very sick, for example have advanced cancer, and not get treatment. The fact that people rely on ER care is a contributing factor to the explosion of health care costs in recent years. Health care reform will provide access to health insurance to everyone through employer health insurance, Medicare, Medicaid, private health insurance, the exchange insurance system, and a quality, affordable public insurance option. Providing health insurance to all will improve health care outcomes, and reduce costs through better, more effective preventative care.

POLITICS OF REFORM: What's the real story

Q: Do the people protesting health care reform represent the general public?

A: No. Many if not most of the people protesting health care reform have been organized and mobilized by paid Washington lobbyists on behalf of partisan groups. They're using misinformation and fear tactics to scare Americans out of supporting needed reform. Many of them have little or no interest in health care policy, but rather are using the issue to drive a narrow political agenda. For several years, most public opinion research shows that a majority of Americans want health reform.

Q: Are these rumors about death panels, euthanasia for seniors, and cutting off care to veterans and people with disabilities accurate?

A: NO, unequivocally, absolutely not. They are pure fiction. Those rumors and many others are simply outlandish lies that are being spread to try and scare consumers and derail reform. We know that these scare tactics, myths, and outright lies are being driven and distributed by partisan groups with a narrow political agenda. There is nothing in any of the current proposals in Congress that

represents anything along those lines. The reform proposals will actually help seniors, veterans, and people with disabilities regain control over their care, instead of being under the thumb of insurers. The White House has produced an online fact checking resource at: <http://www.whitehouse.gov/realitycheck/>.

Q: Will health reform hurt small businesses?

A: No, it will actually help small businesses. The outlandish claims that somehow health reform will hurt small businesses are completely false. Small businesses right now are being crushed by rising health care costs. Health reform will only help small businesses by lowering costs, expanding coverage choices, and making health care more affordable for both individuals and businesses.

Q: Will health care reform be a government takeover of our health care system?

A: No way. Nothing in any of the bills in Congress is proposing socialized medicine. The private market will continue to provide coverage and be the backbone of our health care system. Government will merely help increase competition, and hold insurance companies accountable to make sure consumers are getting a fair shake.

Q: Why is Congress trying to make our health care system like Canada's or Europe's?

A: It's not. Nothing in any of the proposal in Congress is based on Canada's system or on any European country. The proposals before Congress are uniquely American solutions to a growing problem and rely on the strengths of the private market, while also holding insurance companies accountable so families and businesses can get a fair shake, and get access to affordable care.

Q: Will the government be making health care decisions for me?

A: Absolutely not. Health care reform ensures that you and your doctor are the ones making health care decisions. Not insurance companies. And certainly not the government. Right now insurance companies are the ones who get in the way, by limiting benefits, denying coverage, spiking premiums, or increasing your costs because of your health status, age, or gender. Health reform puts a stop to all of that, and makes sure that you are in control of your health care, not insurance companies.