

As Congress moves forward with comprehensive health insurance reform legislation, critics continue to spread misinformation about how reform will impact American workers, their families and small businesses.

Below are five myths being spreading about health insurance reform – debunked.

### **MYTH #1: Health insurance reform is a "government takeover."**

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

### **MYTH #2: Health insurance reform slashes Medicare and hurts seniors.**

FACT: Nothing in the health insurance reform reduces Medicare benefits for seniors. The reform achieves savings by cracking down on inefficiency, fraud and waste in Medicare – targeted at private insurance companies and providers, not beneficiaries. These savings include cutting large and unnecessary overpayments to private insurance companies that offer Medicare Advantage plans.

Rather than undermining Medicare, this bill strengthens Medicare. Much of the cost savings achieved are reinvested into Medicare – improving benefits. In fact, the legislation lowers prescription drug costs for seniors by closing the prescription drug donut hole, ensures free preventive care, and extends the life of the Medicare Trust Fund by nine years.

### **MYTH #3: Health insurance reform will cost businesses too much.**

**FACT:** The status quo is unsustainable for the small business community – 60 percent of America's uninsured, or 28 million people – are small business owners, workers, and their families. Insurance costs for small businesses have increased 129 percent since 2000.

The health insurance reform legislation before Congress provides \$40 billion in tax credits for small businesses to help them offer coverage to their employees and exempts 96 percent of all businesses from the shared responsibility requirement.

### **MYTH #4: Health insurance reform is bad for the economy.**

**FACT:** The nonpartisan Congressional Budget Office (CBO) says the legislation will dramatically reduce the deficit – by \$138 billion in the first 10 years and \$1.2 trillion in the second ten years – reins in costs for most Americans, and is fully paid for.

More than 40 of the nation's leading economists – including three winners of the Nobel Prize – signed a letter urging the swift passage of comprehensive health reform before Congress to slow 'unsustainable' health care spending facing our country.

"...Without effective reform of the way we pay for health care, growth of health care spending will create unsustainable fiscal burdens, eat into cash compensation, perpetuate waste, and undermine the prospects for universal access to needed care...

"...these measures are a serious, multi-faceted initiative to improve the quality and efficiency of American medical care, rein in the fastest growing portion of government and private budgets and provide a valuable platform for future cost-control efforts. If this nation is committed to cost containment and deficit reduction we must pass health care reform. If this legislation fails, the chances of reducing the growth of health care spending in the future will be greatly reduced."

### **MYTH #5: Health insurance reform includes a marriage penalty which will mean higher costs for those who get married.**

FACT: This myth has nothing to do with health insurance reform – it is a new criticism of how the federal poverty level has been calculated for decades – under Republican and Democratic leadership alike.

Under all federal income-related assistance programs, total assistance provided to two single people is greater than the total assistance provided to a married couple for the simple fact that two people living together have lower expenses than two people living separately. (And the federal government assumes that single people are living separately and a married couple is living together.) It is considered good stewardship of tax dollars to reflect actual costs.