



4 hard truths of health care reform

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March 16, 2012 05:41 PM EDT

President Barack Obama promised over and over during the health care debate that “if you like your health care plan, you can keep your health care plan.”

It turns out that, for a lot of people, that isn’t true.

A Congressional Budget Office [report](#) issued this week says that 3 million to 5 million people could move from employer-based health care plans to government-based programs as the Affordable Care Act takes effect. And in the worst-case scenario, it could be as many as 20 million.

For Obama, it’s an inconvenient truth at a really inconvenient time — coming less than two weeks before the [Supreme Court begins oral arguments](#) on the law and just as the administration touts the law’s early benefits on its second anniversary.

And it’s not the only hard truth Obama and the law’s supporters [are facing](#). No matter what they said about rising health care costs, those costs aren’t actually going to go down under health care reform. The talk about the law paying for itself is just educated guesswork. And people aren’t actually liking the law more as they learn more about it — and some polls show they are just getting more confused.

But it’s Obama’s signature promise — “If you like it, you can keep it” — that’s most likely to get thrown back in his face. Here are the four hard truths of health care reform as [the law](#) approaches its March 23 anniversary:

1) Some people won’t get to keep the coverage they like.

For Republicans, the CBO report is a giant “I told you so” moment — and they’re lining up to tell you so.

“President Obama repeatedly promised during the health care debate, ‘if you like your current plan, you will be able to keep it,’” House Energy and Commerce Committee Republicans said in a statement Friday. “Even under CBO’s ‘best estimate,’ President Obama will have broken his promise to 3 million to 5 million Americans each year, but unfortunately, that number could be much higher.”

Sen. Orrin Hatch (R-Utah) cited the 20 million figure, saying: “This law keeps getting worse and worse; it needs to be repealed.”

Supporters of the law say it’s not as bad as all that. The 20 million figure is the extreme scenario, they point out — CBO says that 3 million to 5 million is more likely. And that’s out of the 161 million Americans who would have had workplace health insurance before the law was passed.

Even in that case, the number is misleading, according to Topher Spiro of the Center for American Progress, because CBO says about 3 million wouldn't be forced out. They would leave their workplace coverage voluntarily — possibly for better coverage, with subsidies, through the law's new health insurance exchanges.

And for the rest, Spiro said, employers will have to take the responsibility for what happens — because they'll still have plenty of incentives to offer coverage to their workers, especially once the individual mandate requires everyone to have it. "If they decide to drop coverage, that will be their decision, and they should not blame the health care law," Spiro said.

But try explaining all that over the 30-second Republican campaign ads that are sure to come. And it's not what Obama promised as he pushed for the new law two years ago.

"If you like your plan and you like your doctor, you won't have to do a thing," Obama promised at a press briefing in June 2009. "You keep your plan; you keep your doctor. If your employer's providing you good health insurance, terrific. We're not going to mess with it."

The estimate of 3 million to 5 million is also a net figure, so it masks some bigger changes in both directions.

For one thing, CBO says 11 million Americans won't get employment-based health insurance they would have had before the law — so they will be forced out (technically by their employer, not by the president, but the context will be the changes brought about by the health law). Another 9 million would gain coverage — but everyone who loses it will see their lives disrupted, and it will be used as more evidence of broken Obama promises.

But all of that assumes CBO is right. For the law's supporters, the dream scenario is that employment-based coverage will go up — which is what happened in Massachusetts under Mitt Romney's health care reform law, which (as his Republican rivals have been known to point out) also has an individual mandate. According to the state's [figures](#), the percentage of employers that offer health coverage has increased from 70 percent to 77 percent since 2005.

2) Costs aren't going to go down.

The [video](#) released by the Obama campaign Thursday has a graph that shows health insurance premiums climbing and climbing — way above general inflation. Giving families and businesses relief was a big part of Obama's sales pitch for health care reform.

"Health care costs had been rising three times the rate of inflation, crushing family budgets and choking businesses. And he knew that he couldn't fix the economy if he didn't fix health care," narrator Tom Hanks says in the video.

But no matter what happens with the law, the line on that graph isn't going to go down. If the law works as the administration hopes, premiums may not rise as fast. But they're not going to plummet.

That's because the main drivers of rising costs — including technology, expensive new drugs, an aging population, a surge in chronic diseases, and Americans' propensity to use a lot more health care than many other countries, even if it doesn't make them any healthier — have nothing to do with the law.

It's not clear whether a lot of people actually expected premiums to go down — but there's already a perception that the law has increased the cost of insurance, which is feeding the negative attitudes. A Kaiser Family Foundation [poll](#) released this week found that 49 percent believe the law has “significantly increased the price of health insurance.”

That's not true. An Aon Hewitt [survey](#) of health plans found that health insurance premiums on average rose 12.3 percent in 2011 — but only an average of 1.5 percent can be attributed to the health law. And health premiums had been rising for years before the law was passed.

But what is true is that what most people pay for their insurance — either through higher premiums or bigger co-pays and deductibles — aren't rising more slowly. The law creates lots of experiments for delivering health care more efficiently, but those are just getting underway. If those don't work, and costs keep rising, the law will get blamed for it.

3) It's just a guess that the law can pay for itself.

The Obama administration insists that the health care law will actually reduce the deficit — which sounds like a fantasy to many people, since the law will clearly increase spending through insurance subsidies and an expansion of Medicaid.

But that's what CBO says. And it's because the budget office believes the law will pay for itself through cuts in Medicare payments and various new taxes, including fees that health insurers and medical device makers will pay.

Like everything else CBO does, though, those estimates are mostly educated guesses — and they assume Congress is actually going to let the Medicare cuts happen. For example, the law is supposed to save \$157 billion over 10 years by increasing Medicare payments more slowly for inpatient hospital, home health and skilled nursing facility services. The law expects those providers to become more productive and more efficient. But watch for plenty of lobbying pressure on Congress to cancel those cuts.

4) “The more they know, the more they'll like it” isn't happening.

When the bill passed, Democrats were convinced that Americans would like the health care reform law more once they were able to see its benefits. When then-House Speaker Nancy Pelosi [said](#) Congress had to “pass the bill so you can find out what is in it” — an inartful phrase that Republicans have happily quoted ever since — her aides insisted that's what she meant: People would find out about its benefits once the controversy died down.

Except the controversy has never died down, and people don't like the law any more now than they did then.

The latest Kaiser Family Foundation [poll](#) found that 41 percent had favorable views of the law, while 40 percent had unfavorable views. That's down from the 46 percent who favored the law in April 2010, right after Obama signed it.

And people actually seem to know less about what's in the law than they did then. Only 56 percent now know that people will get subsidies to pay for health insurance, compared to the 75 percent who knew in April 2010. Just over half of Americans knew that people with pre-existing conditions will be guaranteed coverage, compared to the 64 percent who knew it in 2010.

The part the most people knew about is the individual mandate — the least popular part of the law. And once the Supreme Court starts hearing the health care reform case on March 26, they'll hear about that part even more.

This article first appeared on [POLITICO Pro](#) at 4:39 p.m. on March 16, 2012.

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