



The Anniversary of the Affordable Care Act

A Year Later, the False Attacks Continue

Tony Carrk March 21, 2011

Introduction

Conservatives often push myths and misconceptions of the Affordable Care Act of 2010 as a way to increase opposition. During the debate in Congress in the run-up to passage of the new health reform law, conservatives pushed wild accusations that the law would be a “government takeover” and establish “death panels,” claims that were labeled “the lie of the year.” Now, a year after the Affordable Care Act was signed into law, inaccurate claims and mistruths against the law continue.

Conservatives continue to make false claims against the law as a way to repeal it, undermine consumer protections, and put insurance companies back in charge of our health system. The reason these false statements endure is clear: There are those who would rather take us back to the way our health system was before when insurance companies were in charge rather than move forward and protect our care.

This issue brief is a response to recent false attacks conservatives have made against the law. As we will demonstrate, the Affordable Care Act will create jobs, lower health care costs for families, help small businesses provide health insurance to their employees while maintaining the private sector’s key role in health insurance, and ensure we provide quality health care to all Americans at a lower cost to them and American taxpayers.

The Affordable Care Act will help create jobs

The Affordable Care Act helps our economic recovery by bringing health costs under control, freeing businesses to use that money to invest in job creation. The real threat to job creation is the conservative push to take us back to the old health system where costs were on an unsustainable path. Harvard University professor and Center for American Progress Senior Fellow David Cutler found that repealing the Affordable Care Act—and going back to the unsustainable costs—would cost up to 400,000 jobs annually over the next decade.

To push this “job destroying” argument, conservatives cite the nonpartisan Congressional Budget Office’s estimates that the law will reduce the labor supply (although conservatives dismiss CBO reports when they conclude the law will cut the deficit and reduce premiums). Yet conservatives fail to recognize that one reason for this reduction is that older workers, now forced to hold on to jobs to get health insurance, will now be able to retire—with insurance—when they choose.

The Affordable Care Act lowers premiums and costs for families

The Affordable Care Act takes steps to get our health costs under control and lowers costs for families. The real threat to costs is the conservative push to repeal the law. Cutler found that repealing the Affordable Care Act would increase total health spending by \$125 billion and raise family premiums by nearly \$2,000.

More small businesses are providing health coverage to their employees, thanks in part to the Affordable Care Act

Conservatives try to downplay the impact of the small business tax credits to provide health insurance to their employees. The truth is that last year, more than 4 million small businesses were eligible to receive a tax credit to make health coverage more affordable. According to the *Los Angeles Times*, “major insurers around the country are reporting that a growing number of small businesses are signing up to give their workers health benefits,” adding that an “important selling point” was the small business tax credits.

The Affordable Care Act keeps the employer-based health system intact

Conservatives claim the Affordable Care Act will undermine the employer-sponsored health coverage that millions of Americans enjoy when the state health insurance market exchanges become functional. This is not true. According to Mercer’s recent “National Survey of Employer-Sponsored Health Plans,” the vast majority of employers, particularly large employers, will continue to offer their employees health coverage. Indeed, the survey notes that if the Affordable Care Act follows the Massachusetts health law, “few employers of any size” will choose to drop coverage.

The Affordable Care Act ensures quality care and has flexibility for states

The Affordable Care Act provides states with considerable flexibility. Each state gets to decide how to set up their own marketplace of health options for consumers to choose which plan suits them best. States have flexibility in how they implement insurance

reforms and consumer protections. The law encourages state innovation by allowing them to obtain waivers from some requirements provided the alternative proposal provides comparable coverage and affordability. President Obama recently endorsed legislation from Sens. Ron Wyden (D-OR) and Scott Brown (R-MA) that would move the start date for those waivers by three years.

At the same time, conservatives argue there is not enough flexibility in the Affordable Care Act. They criticize the Obama administration for granting too many waivers on so-called “mini med” plans that have a low annual limit. Since many of the consumer protections and mechanisms to increase patient choice—such as the state marketplaces—are not operational until 2014, the administration has in some instances granted waivers from the law’s early requirements, to avoid leaving people with nothing. CAP Senior Fellow Judy Feder told Congress that until the law is fully implemented, the goal should be to “make matters better, without making them worse.”

States can save money from the Medicaid reforms under the law

Medicaid is a federal-state health program that provides health coverage to predominantly lower-income families, elderly people, and people with disabilities. The federal government matches state funding on the program. For people made newly eligible for Medicaid by the Affordable Care Act, the federal government will pay 100 percent of costs in the early implementation of the Affordable Care Act. In the later years, states will have to pay only 10 percent.

Conservatives charge that the Affordable Care Act will increase state Medicaid spending by \$118 billion. An Urban Institute study, however, found that states will *save* between \$40.6 billion and \$131.9 billion from 2014-2019 by replacing state and local spending for uncompensated care and mental health with federal Medicaid funds and by replacing federal Medicaid funding for adults with incomes over 133 percent of the federal poverty level with federal subsidies in the marketplaces.

There is no secret \$105 billion hidden in the law

Conservatives such as Reps. Michele Bachmann (R-MN) and Steve King (R-IA) claim that \$105 billion of mandatory funding was secretly put in the law unbeknownst to members of Congress. This is false. The *Washington Post’s* Fact Checker said this claim is “bordering on ridiculous” and “does not have credibility.” The truth is there was a considerable amount of transparency before the Congress approved the Affordable Care Act. In the House alone, there were: 79 bipartisan hearings, totaling 100 hours; 181 witnesses; and 239 amendments considered. The House bill was posted online 30 days before committee markup.

The law keeps Medicare solvent and cuts the deficit

Conservatives argue that the Obama administration “double counted” the Medicare savings for the law, arguing it went to save the Medicare Trust Fund and cut the deficit. The facts are these: The law cuts the deficit by \$1 trillion over the next two decades and keeps Medicare solvent until 2029—12 years longer than before the law was passed. The Center on Budget and Policy Priorities [explained](#) how this works before the House Budget Committee:

There’s no double-counting involved in recognizing that Medicare savings improve the status of both the federal budget and the Medicare trust funds. In the same way, when a baseball player hits a homer, it both adds one run to his team’s score and also improves his batting average. Neither situation involves double-counting.

Conclusion

The conservative false attacks are meant to repeal the Affordable Care Act and bring our health system back to the time when insurance companies could discriminate because of a pre-existing condition. Despite these false attacks, the facts are clear: Millions of families, small business owners, and seniors are seeing the benefits of the Affordable Care Act. More than 4 million small businesses are eligible to receive tax credits to make health coverage more affordable. As many as 4 million seniors received help to make their prescription drugs more affordable. Already this year, more than 150,000 seniors with Medicare had a free wellness exam. And children with pre-existing conditions can no longer be excluded from insurance plans. We should move forward with this law and tell those who want to repeal it that we won’t go back.

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