

August 18, 2009

Open Letter to Engaged Voters --

Some groups are spreading a tremendous amount of false information about the leading health reform legislation under consideration by the House of Representatives (H.R. 3200). The goal of this misinformation campaign is to scare the American public into not supporting health reform legislation.

The undersigned organizations believe it is important to correct the record against these myths and falsehoods.

The undersigned organizations agree with the analysis in the attached document ("Response to Line-by-Line Attacks on House Health Reform Legislation (H.R. 3200), August 17, 2009") that refutes the intentional misrepresentations of the House health reform bill. We encourage discussion and debate about the legislation, but outright falsehoods and scare tactics have no place when our country is working to address such a critical issue that touches the lives of all our families.

Thank you for taking the time to educate yourself on the health reform proposals under consideration by the United States Congress. Please feel free to contact any of the organizations listed below to confirm the organization's agreement with the responses provided in the attached document.

Sincerely,

National Organizations

AFL-CIO

American Academy of Family Physicians

American Academy of Pediatrics

American College of Physicians

American Federation of Teachers

American Federation of State, County, and Municipal Employees

American Medical Student Association

American Nurses Association

Campaign for America's Future

Center for Rural Affairs

Changels.net

Health Care for America Now

International Union, United Automobile, Aerospace and Agricultural
Implement Workers of America (UAW)
Latinos for National Health Insurance
Main Street Alliance
National Coalition for LGBT Health
National Education Association
National Physicians Alliance
PHI Health Care for Health Care Workers
Physicians for Reproductive Choice and Health
Planned Parenthood Federation of America
SEIU
United Food and Commercial Workers Union
US PIRG
USAction
Voice of Vietnamese Americans

State-Based Organizations

American Federation of Teachers-Wisconsin
California Partnership
Citizen Action Illinois
Citizen Action of Wisconsin
Coalition for Wisconsin Health
Florida Consumer Action Network
Granite State Organizing Project
La Fe Policy Research and Education Center
National Association of Social Workers- Nebraska Chapter
NAPE/AFSCME Local 61
Nebraska Appleseed Center for Law in the Public Interest
Northwest Federation of Community Organizations
Ocean State Action
Oregon Action
PennAction
Quad City Federation of Labor. AFL-CIO
SEANC/SEIU Local 2008
SisterSong Women of Color Reproductive Health Collective
Virginia Organizing Project
Washington Community Action Network
Wisconsin Alliance of Retired Americans

**RESPONSE TO LINE-BY-LINE ATTACKS
ON HOUSE HEALTH REFORM LEGISLATION (H.R. 3200)
August 17, 2009**

The following false claims are being distributed in an email chain letter.

Claim: *Page 22: Mandates audits of all employers that self-insure!*

Truth: This claim is false. No, there is no audit. Page 22 requests a study, not an audit, to make sure the employer-sponsored insurance you already have is protected. The study will make sure that health coverage is on good financial footing and that new insurance rules aren't causing problems that would make current employer plans more complicated or more expensive. (An employer that 'self-insures' provides benefits to employees directly, rather than buying a policy from an insurance company.)

Claim: *Page 29: Admission: your health care will be rationed!*

Truth: This claim is false. This bill does not ration care. This section limits the amount you pay, not the care you get. Today, many people go bankrupt due to medical expenses, even though they have insurance. This section ends that threat and says that insurers can't make you pay out-of-pocket costs of more than \$5,000 for an individual or \$10,000 for a family (indexed for inflation) for covered services, even if you have a condition that is costly to treat, like cancer. This ensures you have access to affordable care and won't go bankrupt paying for it. The real rationing happens today when insurance companies deny coverage for the services your doctor recommends.

Claim: *Page 30: A government committee will decide what treatments and benefits you get (and, unlike an insurer, there will be no appeals process)*

Truth: This claim is false. Nothing in the bill stops you and your doctor from making the best medical decision for you. The National Health Benefits Advisory Council established by the bill is not a "government committee" but a committee of doctors, patients, and independent health care experts. They will make recommendations about the minimum benefits that every insurance company must offer. That way, you won't need to read the fine print of your insurance policy every time you get sick. These are only minimum standards, and your insurance company can always choose to cover additional services. The Council advises *health plans* and will never weigh in on your personal health decisions or come between you and your doctor.

Claim: *Page 42: The "Health Choices Commissioner" will decide health benefits for you. You will have no choice. None.*

Truth: This claim is false. Nothing in this section -- or in the bill -- allows the Health Choices Commissioner to choose your benefits for you. The Health Choices Commissioner will enforce minimum requirements for health insurance, so you know your health plan isn't cutting corners on your coverage. The Commissioner will also be in charge of financial assistance to families ("affordability credits") that will make insurance affordable based on your income.

Claim: *Page 50: All non-US citizens, illegal or not, will be provided with free healthcare services.*

Truth: This claim is false. The bill explicitly states that no federal payments will be used to purchase insurance for immigrants in the country illegally. This section is about making sure that your health is your business. This section prohibits insurance companies and the government from denying or changing your coverage based on any personal information they learn about you, like where you live or your career choices. This section has nothing to do with government-subsidized coverage to immigrants in the country illegally. (Page 143, Sec. 246).

Claim: *Page 58: Every person will be issued a National ID Healthcard.*

Truth: This claim is false. The bill in no way requires the use of a national health ID card. This section encourages the use of electronic systems that will make it easier for you to get your own information about your insurance. This information will let you know from the beginning which doctors are in your network and how much you'll owe for care, rather than being denied care or getting a surprise bill from your insurance company weeks later.

Claim: *Page 59: The federal government will have direct, real-time access to all individual bank accounts for electronic funds transfer.*

Truth: This claim is false. Nothing will give the government access to your bank account. This section concerns payments between health care providers and insurance companies. Administrative simplification measures like these can save billions of dollars and hours of your doctor's time. The less time the doctor spends fighting with insurance companies, the more time he can spend with you.

Claim: *Page 65: Taxpayers will subsidize all union retiree and community organizer health plans (read: SEIU, UAW and ACORN)*

Truth: This claim is false. It is not targeted to any specific union or group. This

section helps any insured early retiree (age 55-64) keep employer-based health insurance, until he qualifies for Medicare. Specifically, this section helps employers with the cost of coverage by providing a limited reimbursement to employer-based plans for the cost of providing health benefits for retirees and their families. People who have been forced into early retirement in this age group do not qualify for Medicare, and this will help them stay on their employer provided, private insurance plan if their employer wants to participate. Participation is completely voluntary.

Claim: Page 72: All private healthcare plans must conform to government rules to participate in a Healthcare Exchange.

Truth: This claim is true. The bill does require health plans to follow a set of rules, so they can no longer take advantage of your family. The bill provides a new set of rules for insurance companies, so you always know your rights. Insurers will no longer be able to deny coverage based on pre-existing conditions or end your coverage because you get sick. This new insurance marketplace (called the "Exchange") will provide one-stop shopping that makes it easy to compare plans and get the best deal for your family.

Claim: Page 85: Specific benefit levels for plans. The government will ration your healthcare!

Truth: This claim is false. This bill **will not** ration care. The bill requires insurance companies to cover specific categories of core benefits everyone needs to maintain good health: hospitalization, physician visits, medical equipment, mental health, preventative care, maternity and well baby care, and prescription drugs. The bill sets a minimum for coverage - never a maximum. Private insurers can always offer additional benefit categories if they choose. These core benefits will apply to new health plans. Individuals who are 65 and older will continue to get their coverage through Medicare, not in the Exchange or in the public option.

Claim: Page 91: Government mandates linguistic infrastructure for services; translation: illegal aliens.

Truth: This claim is false. The bill explicitly states that it will not subsidize coverage for immigrants in the country illegally. The bill requires plans in the Exchange to offer culturally and linguistically appropriate services. In a sensitive situation, like a consultation with a doctor, where people need to understand important and complicated information, it's important that doctors and nurses communicate information in a way that the patient will understand. For some U.S. citizens that speak a language in addition to English, this may require using a translator. For native-born Americans with low literacy, the doctor may write

prescription instructions in a simpler way so the patient knows which pills to take and when. This bill requires health insurance plans to cover these services and make sure the doctor is reimbursed fairly. (Page 143, Sec. 246).

Claim: *Page 95: The Government will pay ACORN and Americorps to sign up individuals for Government-run Health Care plan.*

Truth: This claim is false. ACORN and Americorps are not listed in this legislation. The Health Choices Commissioner will help eligible people and businesses understand how the Exchange works and enroll in coverage that's right for them. To do this, the Commissioner will set up a toll-free hotline, start a website, develop brochures and other outreach materials, and identify community locations for enrollment. The Commissioner could partner with state and local governments and non-profit organizations in the process to assist with outreach efforts. For instance, during implementation of the Medicare prescription drug benefit, the government enlisted the help of about 100 national organizations, including AARP, the American Medical Association, and the National Council on the Aging.

Claim: *Page 102: Those eligible for Medicaid will be automatically enrolled: you have no choice in the matter.*

Truth: This claim is false. Low-income families who are eligible for Medicaid will be given the option of enrolling in an Exchange plan, with Medicaid auto-enrollment as a fallback. Many uninsured children and adults who can't afford health insurance don't realize there is help available or aren't sure how to enroll. Nobody should have to put off a doctor's visit because they can't pay for it. If a low-income family (a family of four earning under \$30,000 per year) does not choose a private health plan and has been uninsured for six months, they will automatically be enrolled in Medicaid until they find other coverage. People who are not eligible for Medicaid will not be enrolled in Medicaid. Far from depriving people a choice, this measure will ensure that a family always has some form of coverage, without taking away their ability to choose a different private insurance plan.

Claim: *Page 127: The AMA sold doctors out: the government will set wages.*

Truth: This claim is false. The bill does not set wages for doctors. Doctors will continue to choose whether they will participate and accept the terms of any health insurance plan, whether public or private. This section outlines payment policies for physicians that choose to participate in the public option. No physician is required to participate in the public option.

Claim: *Page 145: An employer MUST auto-enroll employees into the government-run*

public plan. No alternatives.

Truth: This claim is false. You choose your health insurance. ONLY IF you fail to choose a plan for yourself, your employer will auto-enroll you in the plan with the lowest premiums for you until you opt into a different plan. The bill specifically mandates that employers provide employees with information on how to opt out of the auto-enrollment coverage. The vast majority of people could not be auto-enrolled into the public option, no matter what, since it is only available in the Exchange, which initially will only be open to individuals and small businesses.

Claim: *Page 146: Employers MUST pay healthcare bills for part-time employees AND their families. This will insure bankruptcies of many small businesses.*

Truth: Employers will have to pay a modest amount for each worker, including part-time workers, based on the number of hours worked, but it won't drive small businesses into bankruptcy. In fact, small businesses will get extra help to make sure their employees get the health care they need, like huge new tax breaks (a tax credit equal to 50% of the cost of coverage). All hardworking Americans will get their fair share of the cost of health insurance paid by their employers, based on the number of hours they work.

Claim: *Page 149: Any employer with a payroll of \$400K or more, who does not offer the public option, pays an 8% tax on payroll. This will insure more bankruptcies of many small businesses.*

Truth: This claim is false. Employers will have to contribute toward coverage for their workers based on a percentage of payroll, but it has nothing to do with offering the public option. No employer or employee will be forced into the public option. All businesses, except some small businesses that are exempted, must contribute to their employees' health insurance. Most employers that are required to provide coverage under this bill already provide coverage—so little will change for them under this bill. They will continue to offer the coverage that they do today and will not pay a tax. Other employers can take advantage of new affordable insurance plans available through the Exchange, but no employer or employee will be forced to choose any particular plan option. Employers that don't offer coverage to their employees will make a contribution to the Exchange and their employees will be eligible for financial assistance to purchase a plan, if they are income eligible.

Claim: *Page 150: Any employer with a payroll of \$250K-400K or more, who does not offer the public option, pays a 2 to 6% tax on payroll. This will ensure even more bankruptcies of many small businesses.*

Truth: This claim is false. While employers will have to contribute toward

coverage for their workers, it has nothing to do with offering the public option. No employer or employee will be forced into the public option. All businesses, except certain small businesses that are exempted, must contribute to their employees' health insurance. Today, large businesses get a better deal on insurance than small businesses because of their size. This bill will give small businesses new and less expensive insurance options and level the playing field between large and small businesses that want to offer health insurance. No employer or employee will be locked into any particular health plan.

Claim: Page 167: *Any individual who doesn't have acceptable healthcare (according to the government) will be taxed 2.5% of income. (This ensures the government can collect extra taxes from you anytime they want.)*

Truth: This claim is false. While there is a penalty for failure to obtain coverage, a tax is owed only if you don't have insurance and can afford to purchase it. Acceptable coverage includes your current individual or employer coverage (i.e., provided it meets the new minimum requirements), government coverage (e.g., Medicare, Medicaid, certain coverage provided to veterans, military employees, retirees, and their families), and new coverage offered through the Exchange or an employer.

Claim: Page 170: *Any NON-RESIDENT alien is exempt from individual taxes (Americans will pay for them).*

Truth: This claim is false. Nothing in this bill exempts non-residents from paying income taxes. A non-resident alien is someone who has been in the country legally (for example, on a visa) who has not been in the country long enough to be considered a resident; a non-resident alien is not the same thing as an "illegal" immigrant.

Claim: Page 195: *Officers and employees of Government Healthcare Bureaucracy will have access to ALL American financial and personal records.*

Truth: This claim is false. This bill does not give the government access to any Americans' finances. It simply allows the Health Choices Commissioner to use taxpayer return information from the IRS to determine health insurance subsidy levels for American families.

Claim: Page 239: *Bill will reduce physician services for Medicaid. Seniors and the poor most affected.*

Truth: This claim is false. This section adjusts the Medicare payment formula to prevent massive cuts in physician payments that will happen under current law in 2010. All physicians, including the American Medical Association (AMA), are

in strong support of this section. Also it is for Medicare, not Medicaid.

Claim: *Page 241: Doctors: no matter what specialty you have, you'll all be paid the same (thanks, AMA!)*

Truth: This claim is false. Page 241 does not say this. Nowhere does it say this. The formula that determines Medicare physician payment is broken. Grouping services into a few categories (primarily therapeutic or preventive care) is one way doctors, including the AMA, have suggested making payment fairer. Within those groups, each service will still have its own individual payment amount.

Claim: *Page 253: Government sets value of doctors' time, their professional judgment, etc. Literally value of humans.*

Truth: This claim is false. This section doesn't have anything to do with the government determining the value of human lives. This section directs the Secretary to regularly review payment rates for Medicare physician services to make sure rates are fair. This section is about paying doctors for all the time and effort they put into your care, not just for the procedure itself, so doctors have every incentive to provide the best care.

Claim: *Page 265: Government mandates and controls productivity for private healthcare industries.*

Truth: This claim is false. This is a complete misreading of what this section is. This section does not control productivity for private health care industries. Medicare payment already factors in productivity gains. This section updates one component of the current Medicare payment formula for hospital outpatient services.

Claim: *Page 268: Government regulates rental and purchase of power-driven wheelchairs.*

Truth: This regulation does not apply to privately-purchased wheelchairs, only the ones Medicare pays for. This section eliminates the option for Medicare to purchase power driven wheelchairs with a lump sum payment at the time the chair is supplied. Instead, Medicare would make the same payment for power driven wheelchairs over a 13-month period (a rent-to-own arrangement).

Claim: *Page 272: Cancer patients: welcome to the wonderful world of rationing!*

Truth: This claim is false. This section is the opposite of rationing. In fact, this section allows Medicare to pay cancer hospitals **more** if they have higher costs

for patient care.

False Claim:

- *Page 280: Hospitals will be penalized for what the government deems preventable re-admissions.*
- *Page 298: Doctors: if you treat a patient during an initial admission that results in a readmission, you will be penalized by the government.*

Truth: The American Hospital Association recommends reduced payments for avoidable readmission. An "avoidable readmission" is when a patient comes back to the hospital soon after leaving, for a condition that could have been avoided with better care or better instructions at discharge. This section of the bill will ensure that the hospital and doctor let you stay in the hospital until you're ready to leave, instead of rushing you out. This change will give doctors and hospitals new incentives to let you heal at your own pace and to make sure you understand how to take care of yourself after you are released.

Claim: *Page 317: Doctors: you are now prohibited for owning and investing in healthcare companies!*

Truth: This prohibits expansion of physician-owned hospitals (not all health care companies) because they often drive up costs, duplicate health services, drain resources from community hospitals, and provide perverse incentives for doctors to refer patients for treatments and procedures at hospitals they partially own. For example, if a doctor self-refers you for a heart operation, he makes money on the procedure and he makes money on the revenue paid to the hospital he owns.

Claim: *Page 318: Prohibition on hospital expansion. Hospitals cannot expand without government approval.*

Truth: One kind of hospital, a physician-owned specialty hospital, will need approval to expand. This section regulates physicians' investment in hospitals to address a well-documented problem. If a provider has an ownership interest in a hospital (or testing lab, etc.), there is a greater likelihood that patients will be referred there for services, driving up health care costs. This provision is aimed to eliminate this incentive to over-refer patients.

Claim: *Page 321: Hospital expansion hinges on "community" input: in other words, yet another payoff for ACORN.*

Truth: **This claim is false.** No specific community group or organization is mentioned. This applies to only physician-owned hospitals. Input of the community they serve is required to determine how valuable the hospital is to the patients they serve and the effects on other hospitals in the community. This is

important because studies show physician-owned hospitals drain resources and healthy patients from community hospitals that provide care to the most vulnerable patients.

Claim: Page 335: *Government mandates establishment of outcome-based measures: i.e., rationing.*

Truth: This claim is false. This is not rationing. This section does create an incentive system to increase payments to high quality Medicare Advantage plans and plans that demonstrate improvement and better outcomes, such as reduced readmissions. This is about better quality care, not rationed care. A plan that cuts back on care and produces worse outcomes would not receive any extra payment.

Claim: Page 341: *Government has authority to disqualify Medicare Advantage Plans, HMOs, etc. Forcing people into government plan.*

Truth: This claim is false. While the government will have the ability to disqualify poor-performing Medicare Advantage plans, it is for good reason. If private plans cost more than traditional Medicare and aren't providing good care to seniors, Medicare shouldn't pay them. If a low-quality Medicare plan is disqualified, the seniors who were enrolled in it could remain on traditional Medicare or choose another Medicare Advantage plan. This would not result in seniors being forced into the public option.

Claim: Page 354: *Government will restrict enrollment of SPECIAL NEEDS individuals.*

Truth: This claim is false. This section does not restrict care for special needs people. Instead, it gives more choices to the most vulnerable Medicare beneficiaries, who are poor, institutionalized and have serious chronic diseases. Instead, it *expands* the specialized health plans, called special needs plans, which provide care to vulnerable individuals. Without this extension, these plans would end.

Claim: Page 379: *More bureaucracy: Telehealth Advisory Committee (healthcare by phone).*

Truth: Telehealth is a critical service to ensure quality care in rural areas and for persons with disabilities who may have difficulty traveling to specialists and hospitals. The bill establishes a Telehealth Advisory Committee to provide HHS with additional expertise on the telehealth program. This section also expands Medicare's telehealth benefit to beneficiaries who are receiving care at freestanding dialysis centers (i.e., very sick patients who have difficulty traveling). This common sense approach can both improve care and lower costs.

Claims:

- *Page 425: More bureaucracy: Advance Care Planning Consult: Senior Citizens, assisted suicide, euthanasia?*
- *Page 425: Government will instruct and consult regarding living wills, durable powers of attorney, etc. Mandatory. Appears to lock in estate taxes ahead of time.*
- *Page 425: Government provides approved list of end-of-life resources, guiding you in death.*
- *Page 427: Government mandates program that orders end-of-life treatment; government dictates how your life ends.*
- *Page 429: Advance Care Planning Consult will be used to dictate treatment as patient's health deteriorates. This can include an ORDER for end-of-life plans. An ORDER from the GOVERNMENT.*
- *Page 430: Government will decide what level of treatments you may have at end-of-life.*

Truth: These claims are false. No one will be forced to have discussions about end-of-life care if they don't want to. These discussions are not mandatory. This section simply says that if patients *do* want that conversation, Medicare will pay for their doctor's time to have it. The provision pays for doctors to have these difficult but important conversations with a patient and his or her family while a patient is healthy and communicative rather than in the middle of a health crisis. These are important individual decisions that take time and consideration, and medical groups and patient groups, like AARP, support Medicare payment for this planning provision.

These are consultations between you and your provider, not the government, and are meant to protect patients from having procedures done against their will if they are too ill to communicate their wishes. You decide the medical treatment you do and do not want.

Claim: *Page 469: Community-based Home Medical Services: more payoffs for ACORN.*

Truth: This claim is false. This section in no way refers to ACORN. This section allows the start-up of a medical home pilot program. A "medical home" is a medical office or clinic where a team of health professionals work together to provide a new, expanded type of care to patients. The care in a medical home is personal, and the team's job is to make sure you get the health care you need. The medical home is about how your care is delivered, not where you live.

Claim: *Page 472: Payments to Community-based organizations: more payoffs for ACORN.*

Truth: This claim is false. This provision includes all qualified non-profit entities and in no way targets ACORN. Under this provision, the current medical home option is made available to a broader population of Medicare beneficiaries with chronic diseases and allows for state-based or non-profit entities to provide care management supervised by your primary care provider.

Claim: *Page 489: Government will cover marriage and family therapy. Government intervenes in your marriage.*

Truth: This claim is false. The government will not intervene in your marriage, but will allow access to licensed professionals if your family needs one. Medicare will now cover state licensed marriage and family therapists, if your family wants these services. You are not forced to receive these services.

Claim: *Page 494: Government will cover mental health services: defining, creating and rationing those services.*

Truth: This claim is false. The government will not ration mental health services. Currently, seniors with common problems, such as depression, often don't get the care they need. Medicare will now cover mental health counselors, if someone chooses to use this service.

Claim: *Health care reform will require Americans to subsidize abortions with their hard-earned tax dollars.*

Truth: This claim is false. The bill does not require coverage for abortion. In fact, the Capps amendment, passed out of the Energy and Commerce Committee, explicitly states that abortion **cannot** be a required benefit under health care reform. As is true today, private insurance companies will continue to decide for themselves whether or not they will cover abortion. The Capps amendment also prohibits the use of taxpayer dollars going towards payment or coverage of abortion. So, if a plan does cover abortion, that benefit can only be paid for by private dollars.