

## THE REPUBLICAN STUDY COMMITTEE PROPOSAL: GOOD FOR INSURANCE COMPANIES, BUT WHAT'S IN IT FOR YOU?

After 43 days of refusing to offer up any legislation, a small group of Republicans have finally produced a bill...that looks a lot like the current health care system, where your health care decisions are made by insurance companies—not you and your doctors.

The plan does nothing to address the changes most Americans want. It does not guarantee that all Americans would have access to quality affordable insurance. It does not do anything to contain skyrocketing health care costs. It does not prevent insurance companies from dropping Americans when they become sick – and it doesn't give people any place to turn if they lose coverage. What this plan *does* do is protect insurance company profits. It's a giveaway to already profitable insurance companies.

WHAT'S IN IT FOR YOU?	HOUSE DEMOCRATIC BILL AMERICA'S AFFORDABLE HEALTH CHOICES ACT (H.R. 3200)	REPUBLICAN STUDY COMMITTEE PROPOSAL
SECURITY: NO DISCRIMINATION FOR PRE-EXISTING CONDITIONS	✓	INSURANCE COMPANIES CAN CONTINUE TO DISCRIMINATE IF YOU HAVE A PRE-EXISTING CONDITON
STABILITY: NO DROPPING YOUR COVERAGE IF YOU BECOME SICK	✓	SICK PEOPLE COULD CONTINUE TO BE DUMPED FROM INSURANCE PLANS
STABILITY: NO REFUSAL TO RENEW YOUR COVERAGE IF YOU'VE PAID IN FULL AND BECOME ILL	✓	NO INSURANCE REGULATION
SECURITY: NO MORE JOB OR LIFE DECISIONS MADE BASED ON LOSS OF COVERAGE	✓	DISMANTLES EMPLOYER-BASED SYSTEM, MAKING SMALL BUSINESSES MORE LIKELY TO DROP COVERAGE
SECURITY: NO NEED TO CHANGE DOCTORS OR PLANS, IF YOU LIKE THE COVERAGE YOU HAVE	✓	INCREASES COST OF HEALTH CARE FOR SMALL BUSINESSES, MAKING IT HARDER FOR YOU TO KEEP YOUR PLAN
LOWER COSTS: NO CO-PAYS FOR PREVENTATIVE AND WELLNESS CARE	✓	MORE TAXPAYER DOLLARS GOING TO INSURANCE COMPANIES WHO RAISE PREMIUMS
LOWER COSTS: NO EXCESSIVE OUT-OF-POCKET EXPENSES, DEDUCTIBLES OR CO-PAYS	✓	NOTHING TO PROTECT YOU FROM MEDICAL BANKRUPTCY
LOWER COSTS: YEARLY CAPS ON WHAT YOU PAY	✓	MORE TAXPAYER DOLLARS GOING TO INSURANCE COMPANIES WHO RAISE PREMIUMS
LOWER COSTS: NO YEARLY OR LIFETIME COST CAPS ON WHAT INSURANCE COMPANIES COVER	✓	INSURANCE COMPANIES CAN KEEP DRIVING UP COSTS

The Republican leadership still has yet to introduce its own legislation – or to endorse this proposal. Will they embrace this plan that leaves insurance companies in charge of your health decisions?

Here's a closer look at the proposals House Republicans are, yet again, recycling:

### **DISMANTLES THE EMPLOYER-BASED INSURANCE SYSTEM**

**RSC Proposal:** *Expand the individual market by creating pooling mechanisms such as association health plans.*

**REALITY:** In theory, small business pools sound effective. However, in practice, these pools have not succeeded at expanding affordable coverage. The independent Congressional Budget Office even found that previous small business pools only increase the cost of insurance for small businesses, forcing many to drop coverage.

**RSC Proposal:** *Providing advanceable, refundable tax credits, provided on a sliding scale, to purchase coverage in the individual market*

**REALITY:** Tax credits will incentivize younger, healthier Americans to leave their employer-based insurance, leaving older, less healthy workers in those plans—driving up costs that could jeopardize the employer-based system that covers most Americans. The average premium for families is approximately \$15,000. The Republican plan will do nothing to ensure that Americans who need real health coverage will be able to afford the monthly premiums.

**RSC Proposal:** *Proposes giving states incentives, such as federal block grants, to establish high-risk insurance pools.*

**REALITY:** The Republican plan does nothing to stop the practice of insurance companies denying coverage based on a preexisting condition.

**RSC Proposal:** *Gives small businesses tax incentives for auto-enrolling employees in a plan.*

**REALITY:** Most companies that offer health insurance already auto-enroll workers.

### **WEAKENS COVERAGE FOR LOW-INCOME AMERICANS AND CHILDREN**

**RSC Proposal:** *Gives Medicaid and the State Children's Health Insurance Program participants the option of getting a voucher to purchase private insurance.*

**Reality:** This proposal will leave millions of Americans and children with fewer benefits. Medicaid and the SCHIP program provide comprehensive health services for millions of Americans. The value of the voucher Republicans are proposing will not even come close to what people will need to purchase comparable coverage from a private insurer.

### **NO REAL COST CONTAINMENT**

**RSC Proposal:** *Reduce "defensive medicine" by putting caps on what patients can recover through medical malpractice lawsuits.*

**REALITY:** Changing the medical liability system does not make health care premiums Americans pay more affordable. Multiple national studies confirm that states that have enacted significant medical malpractice reform did not lead to cost savings for consumers. A Congressional Budget Office investigation found that states that have caps on damages found no evidence that "defensive medicine" has an impact on health care spending. In fact, in 2008, the CBO reported that "some so-called defensive medicine may be motivated less by liability concerns than by the income it generates for physicians or by the very small benefits to patients."