

# **Health Insurance Reform**

Congress is considering various proposals to reform the health insurance system. All of these proposals build on the existing employer-based system, and would guarantee that if you like the health insurance you already have, you get to keep it. The proposals would also:

- Cut health care costs for families and small businesses
- Preserve choice of insurer and provider
- Protect and strengthen coverage for seniors
- Prevent discrimination based on pre-existing conditions, medical history, or gender; and
- Prevent annual or lifetime caps on coverage

The Senate proposal – a bill that was produced by the Health, Education, Labor, and Pensions (HELP) Committee, of which I am a member – also includes tax credits for small businesses that offer insurance to their workers, new rules to root out fraud and abuse, a public insurance option that would give Americans an alternative to for-profit insurance companies, and a new emphasis on illness prevention and disease management.

The Senate bill includes 161 Republican amendments accepted during a month-long, public editing session – or “mark-up” – one of the longest of its kind in Congressional history.

For the complete text of the HELP Committee legislation, called the Affordable Health Choices Act, you can visit <http://www.help.senate.gov>, where there are links to the two files that constitute the most up-to-date draft as well as a bill summary. And for specific information on what health insurance reform will mean for our state of Ohio, see <http://www.healthreform.gov/reports/statehealthreform/ohio.html>.

I realize that there are many questions circulating about health insurance reform. Please see the list of frequently asked questions below for the answers. If your question is not on the list, please feel free to [contact my office directly](#).

## **Frequently Asked Questions**

### **1) How will health insurance reform benefit me?**

- **No Exorbitant Out-of-Pocket Expenses or Co-Pays:** Insurance companies will have to abide by yearly caps on how much they can charge for out-of-pocket expenses. This will help protect Americans against going bankrupt because of high medical costs.
- **No Discrimination for Pre-Existing Conditions:** Insurance companies will be prohibited from refusing you coverage because of your medical history.

- **No Rejections Because of Medical History:** Insurance companies will be required to provide coverage as long as the policyholder pays his or her premium in full. Insurance companies won't be allowed to refuse or water-down coverage because someone is sick or was sick in the past.
- **No Cost-Sharing for Preventive Care:** Insurance companies must fully cover, without charge, regular checkups and tests that help you prevent illness, such as mammograms or eye and foot exams for diabetics.
- **No Gender Discrimination:** Insurance companies will be prohibited from charging you more because of your gender.
- **No Annual or Lifetime Caps on Coverage:** Insurance companies will be prevented from placing annual or lifetime caps on the coverage you receive.
- **No Dropping of Coverage:** Stops insurance companies from revoking coverage from people just because they become seriously ill.

## 2) Why does Ohio need health insurance reform?

- Since 2000 alone, average family premiums have increased by 92 percent in Ohio.
- Household budgets are strained by high costs: 20 percent of middle-income Ohio families spend more than 10 percent of their income on health care.
- Ohioans cannot afford the status quo. Every day, 390 Ohioans lose their health insurance.
- 11 percent of people in Ohio are uninsured, and 64 percent of them are in families with at least one full-time worker.
- Right now, providers in Ohio lose more than \$2.2 billion in bad debt. And that's only part of the story. Most care provided to individuals without insurance – you may have heard it called “uncompensated care” – is shifted to insured Americans, increasing their premiums and out-of-pocket costs.
- Health insurance reform will tackle this financial burden by reducing premiums to help protect employer-sponsored coverage and by providing affordable private and public insurance options for those who lack or lose health insurance.
- Tackling uncompensated care will not only reduce private insurance premiums, it will dramatically reduce the bad debt burden for Ohio's 171 hospitals, 38,566 physicians, and the thousands of other health care facilities and providers serving you in Ohio. Twelve percent of Ohioans report not visiting a doctor due to high costs.

- The need for health insurance reform in Ohio is clear. The status quo might work for large insurance companies, but it does not work for middle-class Ohioans.

### 3) What will happen if we do nothing?

- **Premiums will skyrocket:** Without change, average family premiums will almost double in less than a decade from \$13,244 in 2008 to an estimated \$24,291 in 2016.
- **Working families have no protections in a recession:** For almost every working family, the loss of a job in the economic downturn means the loss of health care coverage. When illness strikes, families who once were comfortably in the middle class can be driven into bankruptcy or homelessness by un-payable medical bills. Health insurance reform will ensure that loss of a job no longer mean loss of health care coverage.
- **More Uninsured:** Without reform, the number of uninsured will rise from 47 million in 2009 to an estimated 54 million by 2014.
- **Economic Losses:** The nation suffers as much as \$207 billion each year in lost economic productivity due to the poor health and shorter lifespan of the uninsured, or \$4,541 per uninsured American.

### 4) What if I like my current health insurance and don't want to change?

- Both the President and the Congress agree that health insurance reform must fix what is broken while being very careful to keep what works.
- Many people have health insurance that works for them. If you have health insurance that you like and want to keep, nothing in this legislation will change that.
- Instead, this legislation would ensure that if you lose your existing coverage, you can get new private insurance or public insurance if you choose. It prevents private health insurers from denying or limiting your insurance, even if you have a pre-existing condition. It will also increase competition in the insurance market to drive private health insurance premiums down.

### 5) Will health insurance reform lead to rationing?

- Unfortunately, there is a lot of misinformation circulating about what this bill does.
- Opponents of health insurance reform are trying to scare people into believing that this bill would somehow "ration" health care for those in need. None of the proposals pending in Congress would permit the government to ration health care, and I would oppose any bill that did.

- In fact, health insurance reform would work to *combat* health care rationing by preventing insurers from excluding coverage for pre-existing conditions and from arbitrarily denying insurance claims.

#### **6) Will health insurance reform force older people to choose how they want to die?**

- No. None of the health insurance reform bills under consideration by the House or the Senate include a mandate that Medicare beneficiaries seek consultation on end-of-life decisions.
- There is a provision in the House bill that would provide Medicare coverage for patients to meet with their doctor to ask questions about their care – these office visits are not currently covered – but it certainly isn't a requirement. Like every other Medicare benefit, enrollees can choose whether to use it. It's up to them.
- The goal of this provision, which is supported by AARP, is to enable Medicare beneficiaries to take control of the decision-making when it comes to their future care.
- The provision was originally drafted by a Republican Congressman from Louisiana – Charles Boustany.
- Opponents of health insurance reform are misrepresenting the House provision – falsely claiming that it is a mandate – in order to scare the public and stop health insurance reform.

#### **7) Won't health insurance reform cost too much money?**

- With health care spending exceeding \$2 trillion a year and projected to reach \$4.3 trillion in 2017, with employer-sponsored health insurance premiums more than doubling in the last nine years, and with half of all personal bankruptcies at least partly the result of medical expenses, the fact of the matter is that our country cannot afford NOT to fix our health care system.
- We MUST find ways to reduce the long-term growth of health care costs for families, businesses, and the government.
- The President and Congress have vowed that health insurance reform will not add to the government's debt and therefore are looking to identify how best to decrease spending while also improving the quality of health care in this country.
- Congress is working closely with the President to identify ways we can decrease unnecessary spending. Among the proposals under consideration: increasing competition in the insurance market to bring private and public spending down; reducing costly red tape that inflates provider charges and insurance premiums while subjecting patients and providers to needless hassle; tackling waste, fraud, and abuse, including

Medicare and Medicaid scams that hurt enrollees and inflate taxpayer costs; reducing the amount of money spent on overpriced prescription drugs; ending taxpayer-funded overpayments to the insurers who contract with Medicare; combating chronic diseases through cutting-edge prevention and disease management tools; and minimizing costly medical errors and hospital acquired infections.

**8) How will health insurance reform improve the quality of health care in this country?**

- Health insurance reform will promote the best practices known to help patients, such as a checklist during surgeries. According to the *New England Journal of Medicine*, widespread use of checklists could save 28,000 lives a year and reduce health spending by \$2.3 billion annually.
- Health insurance reform will support medication management to stop prescribing errors, stopping injuries and saving as much as \$12 for every \$1 invested.
- Health insurance reform will reduce hospital-acquired infections by requiring hospitals to report how many patients have to be re-admitted because their initial treatment led to infection or other preventable complications.

**9) Will there be enough doctors to treat all the newly insured people?**

- A strong health care workforce is essential for successful health insurance reform.
- The Senate bill will improve health care access for all Americans by increasing the supply of physicians and other health care providers through scholarship programs, loan-repayment programs, and other incentives.

**10) Are you having any roundtables over the August recess?**

- Yes, I am holding one in Cambridge, Ohio and one in Columbus, Ohio.
- I have held more than 130 roundtables across Ohio in order to listen to constituent concerns, and I will continue to hold these roundtables.
- I also meet with Ohioans every week who come to Washington to visit, and I appreciate the letters and phone calls I receive from Ohioans every day on health care and other issues.

**11) Have you read the health insurance reform bill?**

- Yes I have.

**12) How many of the uninsured are illegal immigrants? Will health insurance reform cover illegal immigrants?**

- Today, there are 47 million uninsured people in America.
- According to studies cited by the non-partisan Congressional Budget Office (CBO), roughly 6 million of the uninsured are immigrants here illegally.
- Proposals under consideration by the House and Senate would only provide health insurance subsidies to legal residents of the U.S.

**13) How will health insurance reform promote prevention and wellness?**

- Health insurance reform will supply individuals and communities with tools they need to live healthy lifestyles, practice good nutrition, and increase physical activity to prevent chronic diseases.
- Health insurance reform will require insurance companies to cover proven, cost-effective clinical preventive services using minimal co-pays and deductibles.
- Health insurance reform will provide consistent funding through the Prevention and Public Health Investment Fund to expand national investments in proven cost-effective prevention programs.
- Health insurance reform will support community-based disease prevention programs.

**14) Will health insurance reform encourage euthanasia?**

- No. In fact, the HELP Committee unanimously accepted an amendment during our markup that explicitly states that the Federal government cannot pay for any health care items or services that cause, or assist in causing, the death of any individual (such as by assisted suicide, euthanasia, or mercy killing).
- The insurance industry and Washington lobbyists have been using the Internet and other means to circulate misinformation about efforts to reform health insurance. They are misrepresenting the truth in an attempt to scare people.
- The bills pending in Congress would NOT limit access to treatment for older Americans or anyone else. The bills ensure seniors the very same authority over their care as they have today, which means no government-imposed restrictions on treatment options.
- The AARP has been very involved in efforts to reform our nation's health insurance industry and they would never endorse legislation that limited treatment options for older Americans.

**15) Will health insurance reform cut Medicare benefits to pay for health insurance coverage for other Americans?**

- None of the bills pending in Congress would cut Medicare benefits for seniors, and I would not be supportive of any proposal to cut Medicare benefits.
- However, there are legitimate efforts underway to pay Medicare HMOs appropriately instead of overpaying them as we do today. I am supportive of efforts to eliminate the waste, fraud, and abuse so that we can devote those funds to better benefits and other improvements in Medicare.
- One example of a Medicare improvement Congress is considering is closing the “donut hole” many seniors face in their prescription drug plans.

**16) How will health insurance reform help children and young adults?**

- Health insurance reform will fill the gaps that leave millions of children uninsured.
- Health insurance reform will expand access to primary and preventive health care to keep children healthy.
- Health insurance reform will require that all insurance policies cover an essential benefits package that includes preventive services and immunizations.
- Health insurance reform will allow young adults to stay on their parents' health insurance policies until age 26 – during the years when they are least able to afford their own coverage.
- Health insurance reform will give young adults the option of enrolling in lower cost insurance plans, recognizing that young adults often have few health needs and are less able to afford coverage at the start of their working careers.

**17) Does the House health insurance reform bill take away my ability to get private insurance or force me into a public plan?**

- No. There has been a lot of confusion about provisions in the House health insurance reform bill. It would NOT deny an American private insurance. It distinguishes between private coverage on the market before health insurance reform is passed and new private coverage that would be sold afterwards.
- To ensure that any American who likes their coverage as it is now would be able to keep it, the House bill “grandfathers in” existing coverage, which means it can stay on the market without meeting the new insurance standards included in the bill.

- However, after the date of enactment, private insurers would be required to sell new coverage that meets the new insurance standards; for example, the new plans would be prohibited from denying people coverage for pre-existing conditions. If you have coverage when health insurance reform is enacted, you can choose whether to stick with that coverage or buy the new, enhanced private coverage.

**18) Will I be penalized for keeping private insurance?**

- No. Nothing in the pending health insurance reform legislation would in any way penalize individuals who want to keep the private insurance they have today. In fact, the legislation is designed to reduce the cost of existing private coverage, which should help stabilize the market for employer-sponsored insurance.

**19) What is a health insurance “Gateway” or “Exchange”?**

- A health insurance Gateway creates a more accessible and competitive marketplace for health insurance.
- A Gateway ensures consumers have the information they need to choose the health insurance plan that makes the most sense for them. It enables you to easily locate all the insurance options available to maximize your choices.
- This means that if your employer doesn’t offer health insurance, you will be able to shop around and find the plan that best fits your needs.

**20) How would a public option work?**

- The public option – the Community Health Insurance Option – would be offered through the health insurance Gateways and would compete on a level playing field with private insurance plans. As it always does, increased market competition will reduce premiums and improve customer service.
- The Community Health Insurance Option would be run by the same agency that runs the Medicare program – the Department of Health and Human Services.
- Premiums for a public option would be competitive because this plan would not have the high administrative costs – such as marketing, advertising, executive salaries, and profits – that many private plans have.

**21) Will you and/or your staff enroll in the public plan?**

- Since first coming to Congress in 1993, I have refused to accept the health coverage offered to Members of Congress until every American has access to quality health insurance.

- I voted for legislation that would require members of Congress to enroll in the public insurance option, and I would be glad to do so. Like every other American, members of my staff should be able to decide for themselves whether to enroll in the public insurance option. Because this option is likely to be more affordable than many private plans, it would probably attract many Congressional staffers.

**22) Shouldn't Congress slow down and not rush health insurance reform?**

- There has been a lot of misinformation about the work that has gone into health insurance reform. Congress has spent countless hours hearing from patients, doctors, employers, insurers, and health policy experts to find common-sense solutions to ensure health coverage doesn't become unaffordable for more Americans.
- I have been working on these issues since I came to Congress 16 years ago.
- The Senate HELP Committee just concluded a very thorough consideration of the health insurance reform bill where Senators, both Republican and Democrat, worked for 23 legislative sessions spanning 13 days. Two hundred eighty-seven amendments were debated, and 161 Republican amendments were included in the final bill.
- I agree that health insurance reform is too important to rush, but I believe that the HELP Committee has proceeded in a very thoughtful, deliberative manner, and I will keep working to ensure that the final health insurance reform legislation is equally thoughtful and takes into consideration the thoughts, suggestions, and needs of Ohioans.
- It should also be noted that 14,000 people lose health insurance every single day that we don't act.

**23) Won't you have to raise taxes to pay for health insurance reform?**

- I have consistently stated that I oppose paying for health insurance reform on the backs of middle class Americans. I stand by that commitment: I will not support any health insurance reform bill that increases the taxes paid by middle class Americans.

**24) Will small businesses be forced to provide health insurance and, if so, won't they end up having to cut jobs?**

- Small businesses would get tax credits to help them continue to offer health insurance to their employees, or offer it for the first time.
- And small businesses would benefit from the creation of state-based, health insurance "Gateways." The "Gateways" will allow small firms to pool their risk and give them a choice of multiple insurance plans – including a public option – at a lower cost and of a higher quality than what's currently in their market, which is exactly what they need in times like these.

- There would be no new requirements for small businesses with fewer than 25 employees. Health insurance reform will exempt businesses under 25 employees from having to pay any penalty if they choose not to provide coverage for their workers, and requires sliding scale payments from those above 25 reflecting the differing financial circumstances of different businesses.
- The House bill includes a payroll tax on employers who don't offer insurance, but that provision is not in the Senate proposal.

## **25) How will health insurance reform help small businesses?**

- Health insurance reform will provide new tax credits to help small businesses continue to offer health insurance to their employees or to offer it for the first time.
- Health insurance reform will open insurance Gateways to all small businesses to give new affordable insurance options to small employers. This gives small businesses the same strong bargaining leverage and broad risk pooling that large businesses enjoy.
- Health insurance reform will ban insurance companies from hiking up rates on a small business, watering down coverage or denying coverage altogether just because one worker has a serious illness.
- Health insurance reform will prohibit insurance companies from refusing coverage for workers because of pre-existing conditions.
- Health insurance reform will exempt businesses under 25 employees from having to pay any penalty if they choose not to provide coverage for their workers, and requires sliding scale payments from those above 25 reflecting the differing financial circumstances of different businesses.
- Health insurance reform will help self-employed workers by allowing them to purchase lower-cost health insurance, both private and public plans, through the insurance Gateways established by the bill.

## **26) How will health insurance reform help large businesses?**

- For those employers who are happy with the insurance they have – including those who have invested heavily in prevention or negotiated low prices – nothing will change.
- Large employers can keep their insurance as long as they choose to renew it.
- What large employers can expect to see from health insurance reform is lower costs. Those lower costs are a result of increasing competition in the insurance market, reducing administrative red tape, combating waste, fraud, and abuse, and focusing on the prevention of costly chronic and acute health conditions.

**27) How will health insurance reform help women?**

- Health insurance reform will stop insurance premium discrimination against women by banning insurance companies from charging women higher premiums than men for the same coverage.
- Health insurance reform will require that all insurance policies sold in the new health insurance “Gateways” established by the bill provide adequate coverage for maternity services.
- Health insurance reform will require that all health insurance policies fully cover evidence-based preventive services such as mammograms.
- Health insurance reform will prohibit insurance companies from charging higher rates to women who have been victims of domestic violence.

**28) How will health insurance reform help retirees?**

- Health insurance reform will help four million pre-Medicare retirees keep their employer retiree coverage by paying for a portion of high-cost claims.
- Health insurance reform will lower the cost of health insurance for retirees not yet eligible for Medicare by limiting the ability of health insurers to charge older persons far higher premiums than younger adults.
- Health insurance reform will stop discrimination against older and sicker persons by preventing insurance companies from refusing coverage or charging higher rates to individuals with pre-existing conditions and chronic illnesses.
- Health insurance reform will strengthen the solvency of Medicare by aggressively combating fraud, waste, and abuse.

**29) Will federal dollars be used to pay for abortions?**

- Current law prevents tax dollars from funding abortion services – except in cases of rape, incest, or where the life of the pregnant woman is in danger – and I understand the view that this bill shouldn’t change that.
- The House and Senate are still in the process of drafting health insurance legislation and a final bill hasn’t been released.
- I will continue to look closely at ways to ensure that women and their doctors are able to make decisions about appropriate medical care, while also respecting the concerns that have been raised.

**30) How will health insurance reform help health care providers?**

- Health insurance reform will fix the flawed Medicare physician payment system to ensure physicians and other health professionals are appropriately reimbursed for the critical services they provide.
- Health insurance reform will provide low-interest student loan programs, loan repayment programs, and scholarships for students, mid-career health care providers, and faculty.
- These new programs will help train over 20,000 new doctors and over 125,000 new nurses.
- Health insurance reform will cut the red tape and the administrative hassles of health care so doctors and nurses can spend more time doing what they do best – caring for the patients in their charge.