

# AMERICANS FOR PROSPERITY®

## Talking Points – Senate Health Care Bill

November 2009

Senate Majority Leader Harry Reid (D-Nev.) introduced the Senate version of the government-run insurance program as an amendment in the form of a substitute to H.R. 3590. Reid's bill is a combination of his own objectives and bills passed by the Senate Health, Education and Labor and Senate Finance Committees. The bill contains a public option (with state opt out), individual and employer mandates, and huge new taxes.

**This Bill is NOT Deficit Neutral** – President Obama insists that any health care reform package Congress sends for his signature is deficit neutral; this bill is not. Reid is claiming the bill cuts the deficit by \$127 billion over ten years. This is fiction. The 10-year CBO score is from 2010-2019, but the spending doesn't begin until 2014. They are counting ten years of taxes and only six years of spending. It's a fraud. If you measure a true ten-year window, **the bill costs \$2.4 trillion**

### Bill Facts

- Raises taxes \$493 billion
- Costs \$2.4 trillion over ten years once the bill is fully enacted
- Cuts Medicare/Medicaid benefits \$436 billion
- Leaves 24 million uninsured, contains 2,074 pages and uses the word "tax" 183 times

### Key Provisions

- **Mandates** – Individuals would be required to have health insurance or face a tax of up to 8% of their income. Businesses with 50 or more workers would be required to cover each and every employee or pay a tax of up to \$750 for every employee (not just for the uninsured)
- **Taxes "Cadillac" and Union Plans** – The new 40% tax on high-end "Cadillac" health insurance plans (any plan valued over \$8,500 for an individual or \$23,000 for a family) would force companies to shift costs to employees or to reduce the health benefits they provide
- **Expands Medicaid** – The bill would force 15 million Americans into the flawed and insolvent Medicaid program, which 4 in 10 doctors won't accept because the program underpays providers.
- **Increases Medicaid Payroll Tax** – 0.5% increase in Medicaid payroll tax on individuals making over \$200,000 and couples making \$250,000, raising \$53.8 billion.
- **Tax on Drugs** – Patients will no longer be able to use pre-tax dollars from Health Savings Accounts (HSA), Flexible Spending Accounts (FSA), and Health Reimbursement Accounts (HRA) to purchase over-the-counter drugs (except insulin).
- **Insurance Regulations** – Insurance companies will be forced to accept all clients, regardless of preexisting conditions (guaranteed issue) and will be severely restricted in the price differential they can charge (community rating). This will result in an across the board increase in premiums and a redistribution of wealth from younger to older Americans.