

Myths and Facts of Health Care Reform

May 11, 2009

Facts are simple: health care costs too much, wastes too much, makes too many mistakes and returns too little value for our money. That's why, on behalf of our 40 million members, AARP believes Washington needs to take action, so Americans can have affordable health care choices.

There are many naysayers who will stop at nothing to derail health care reform. Many will try to scare Americans with myths about legitimate proposals to lower health care costs—myths they believe will block changes to our current system.

Make no mistake: opponents of health care reform will have powerful tools at their disposal, including spending exorbitant amounts of money on television, newspaper and radio ads to spread their myths.

The following are the most popular health care reform myths, followed by the facts to debunk them.

Myth Number 1: We can't afford to fix health care because we're in a steep recession.

Fact: The current economic crisis is a big reason why we have to do everything we can to lower health care costs for individuals, for families, for businesses and for our entire economy.

- With COBRA premiums costing laid-off workers four to six times more than what they paid for health insurance when they were employed, we can't afford to wait.
- With families' health premiums expected to nearly double in the next 10 years, we can't afford to wait.
- With people on Medicare spending almost 30 percent of their incomes on out-of-pocket health costs, we can't afford to wait.
- With nearly 20 percent of Medicare Part D beneficiaries delaying or not filling prescriptions because of out-of-pocket costs, we can't afford wait.

Myth Number 2: Health reform means socialized medicine.

Fact: This is simply not true. AARP would oppose any proposal that bases our health care system exclusively on government programs because it would disrupt the thousands of people who already have health care they want to keep.

All proposals currently under serious consideration in Washington would leave employer-sponsored coverage in place and with it, broad choices for people to pick their doctors and hospitals.

AARP would fight against any health care reform proposal that would prevent doctors or hospitals from giving the best possible care to their patients.

Myth Number 3: No matter what happens, the baby boomers will bankrupt the system as they get older.

Fact: Research shows that the ever-rising cost of health care—not the size of the boomer generation—is the real threat to bankrupting the system. Health care costs continue to rise faster than overall inflation, and take up a growing share of the economy. The solution is to lower prescription drug costs and improve Medicare by eliminating wasteful spending that is driving up the cost of health care for all Americans.

Myth Number 4: Health reform won't help people who already have insurance.

Fact: If you have insurance, you're already paying for the uninsured, through higher premiums and out-of-pocket-costs. While computations vary, one study estimated the tab at \$922 extra for family premiums, and \$341 extra on individual premiums.

The primary goal of health care reform is to lower costs for everyone, and that includes people who already have insurance.

Myth Number 5: If we make people take more responsibility for cost of their care, they will be prudent consumers, and the high-cost problems will disappear.

Fact: Individuals *should* pay a fair share, and expensive health care services are not always needed. But it's a myth to say that we can solve the cost problem by saddling consumers with big bills. Affordability is already a serious problem. Evidence shows that when excessive costs are shifted to individuals, they stop getting the care they need.

Delayed care often results in higher costs long term, due to emergency medical crises which could have been prevented by ongoing, monitored care. Consumer responsibility is important, but it's just one part of the solution.

Myth Number 6: Health care reform will force us to pay more for care that already costs too much.

Fact: The primary goal of health care reform is to lower the cost of care for everyone. We can do that by lowering prescription drug prices by making generic versions of more drugs available, allowing importation, and for people on Medicare, closing the “doughnut hole” and permitting the Medicare program to negotiate drug prices. We can also crack down on wasteful spending by promoting the use of health information technology that will help eliminate costly medical errors and reform how we pay doctors and hospitals to reward quality care.

Myth Number 7: Health care reform is code for a “raid on Medicare.”

Fact: AARP will fight with the strength of our 40 million members against any legislative proposals that unfairly harm people on Medicare. However, we must lower the cost of health care by finding ways to save Medicare money that won't undermine care for beneficiaries.

We can start by cracking down on wasteful spending in health care, including the waste and fraud in Medicare that is driving up the cost of health care. For example, we need to cut back on overpayments to insurance companies who insure Medicare beneficiaries at a cost of 14 percent more per patient. By changing the way we pay these plans, we can reward those that provide good patient care and reduce payments to those that don't. These actions will help put Medicare on more stable footing so that the program can continue to provide current and future beneficiaries with affordable, quality care.

We also need to address the soaring costs of brand name drugs that drive up the costs for Medicare. We need to take on drug companies who are preventing less costly generic drugs from coming to market and who are fighting the importation of less costly drugs from abroad. We need to tell Congress to close the doughnut hole that's costing people in Medicare with high drug costs, and push to get less costly generic biologic drugs – that treat cancer and other serious illnesses and that can now cost up to \$10,000 per month – on pharmacy shelves.

Myth Number 8: Health information technology means government will monitor your health care.

Fact: Anyone who says health information technology (Health IT) means big government will be making decisions about your health care is just plain wrong. AARP would fight against any measure that might prevent doctors or hospitals

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from giving the best possible care to their patients. Health IT legislation received bipartisan support and was a top priority of business groups such as the Business Roundtable and the National Federation of Independent Business. These groups supported this legislation because they understand it will reduce costly medical errors and save money by improving coordination of care for patients with multiple conditions.

Myth Number 9: Health care reform will result in the government rationing health care.

Fact: Talk of “rationing health care” is a baseless scare tactic being used by opponents of health care reform in a misguided attempt to stop efforts to fix the broken health care system that is hurting American families and our economy.

AARP would fight against any measure that might prevent doctors or hospitals from giving the best possible care to their patients, and there is nothing in current proposals that would give government the power to override the judgment of your doctor’s treatment recommendations.

The naysayers’ so-called rationing claims refer to “comparative effectiveness research”—a wonky term that just means giving doctors and patients the ability to compare different kinds of treatments to find out which one works best for which patient. Opponents—like some drug companies and medical device makers—don’t want this research. They fear it will cut the profits they make on ineffective drugs and equipment.

We can’t let drug company profiteers derail efforts to lower health care costs for all Americans.

Myth Number 10: Health care reform means we’re all going to pay higher taxes.

Fact: Although the primary goal of health reform is to lower health care costs, upfront investments will be needed if we’re going to close the Medicare Part D doughnut hole, protect Medicare patients’ access to doctors and make affordable health care choice available to Americans age 50 to 64.

One critical source of funding for health care reform will come from money saved once we wring out the waste, fraud and abuse running throughout our health care system. Beyond that, AARP will closely evaluate proposals to finance health care reform with one critical principle in mind – the costs of health care reform must be fair and shared by people of all generations. AARP will stand firm against any proposal that will place an undue financial burden on Americans 50+.