

# CLEARING UP THE HEALTH CARE DEBATE

*Who would fund the reforms? Would there really be “death panels”?  
Sorting out the possibilities, facts, and misconceptions.*



Pres. Obama at a town hall meeting in Belgrade, Montana on Aug. 14, 2009 to discuss health care reform. Source: [www.healthreform.gov](http://www.healthreform.gov)

The town hall debates over health care reform have ignited Americans like few recent issues. Discourses have become shouting matches. Away from the noise, here is a roundup of where things currently stand.

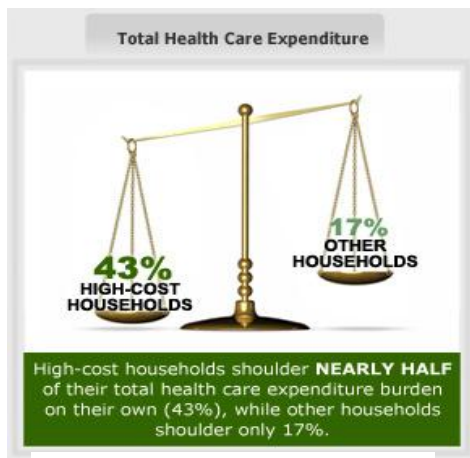
**Who would pay for all this?** Over the next 10 years, the federal government will need (by President Obama’s estimation) \$950 billion to fund its health care programs. As planned, roughly a third of the money will be raised through increased revenues (i.e., limiting tax deductions for the wealthiest

Americans) and two-thirds of it is supposed to come from reallocations of taxpayer money the federal government is already scheduled to receive.<sup>1</sup> A coalition of pharmaceutical industry CEOs met with the President in July 2009 and have since pledged \$80 billion in cost savings over the coming decade to help pay for the reform.<sup>2</sup>

**Would Medicare be cut?** Republicans and Democrats disagree. “Nobody is talking about trying to change Medicare benefits,” President Obama stated during a July AARP teleconference. “What we want to do is to eliminate some of the waste that is being paid for out of the Medicare trust fund.” The non-partisan Congressional Budget Office figures that the House of Representatives version of the bill would trim Medicare spending by \$500 billion across the next decade with no impact on Medicare benefits. AARP claims that “none of the health care reform proposals being considered by Congress would cut Medicare benefits or increase your out-of-pocket costs for Medicare services.” However, in an August 15 Republican Party radio address, Sen. Orrin Hatch contended that “hundreds of billions of dollars” will be cut from Medicare and used to “expand a financially-strapped Medicaid program and create another government-run plan.”<sup>3,4</sup>

**Would this run up the deficit further?** The Congressional Budget Office says yes. It forecasts that President Obama’s reforms would add \$239 billion to the federal deficit. Few on Capitol Hill think the reform effort could pay for itself.<sup>5</sup>

**Would health care be rationed?** That’s what ex-Alaska Governor Sarah Palin contended in a Facebook post. The potential Republican presidential candidate stated that the reforms would lead to a system that would “allocate medical resources to the elderly, the infirm, and the disabled who have less economic potential.” Democrats and other supporters of the reforms counter her claim by saying that the current health care system already features “rationed” care dictated by health insurance company bureaucrats.<sup>6</sup>



Source: [www.healthreform.gov](http://www.healthreform.gov)

**Would there really be “death panels”?** Earlier this month, Palin contended that the President’s health care reform proposals included “death panels” that would decide if seriously ill patients would live or die. In the eyes of many legislators, Palin was wildly misinterpreting a provision in the health care reform bill that would allow doctors to offer voluntary consultations about living wills, hospice care, health care directives and pain medication to patients and loved ones facing end-of-life decisions. (If the reforms pass, Medicare would pay physicians to provide this consulting.) The Senate Finance Committee has dropped this idea from its version of the proposed legislation; it remains in the House version.<sup>7</sup>

**Would the government (and taxpayer dollars) pay for abortions?** It is uncertain. In one variant of the health care reform bill, abortions would have to be available via at least one insurance plan; however, Democrats say any abortions would be paid through patient premiums.<sup>5</sup>

**Would undocumented immigrants get free health care?** On the CBS Evening News, Sen. Ben Cardin (D-MD) was heard stating, “Illegal aliens will not be in this bill, period, the end.” As currently written, the legislation states that only those lawfully present in the United States can qualify for health coverage. Yet what if one family member is in America legally, but others aren’t? Could his or her relatives become eligible? Republicans say that the proposed legislation offers no way to effectively stop undocumented immigrants from applying for health care benefits.<sup>5</sup>

**The debate rages on.** Politically, the health care reform effort seems poised to end up being the story of the year – and the contention and negotiation will certainly last into fall. Stay tuned.

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#### Citations.

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- <sup>2</sup> [baltimoresun.com/business/bal-bz.pharma14aug14,0,5384283.story](http://baltimoresun.com/business/bal-bz.pharma14aug14,0,5384283.story) [8/14/09]
- <sup>3</sup> [politics.theatlantic.com/2009/08/gop\\_dems\\_want\\_to\\_spend\\_money\\_to\\_cut\\_medicare.php](http://politics.theatlantic.com/2009/08/gop_dems_want_to_spend_money_to_cut_medicare.php) [8/14/09]
- <sup>4</sup> [factcheck.org/2009/08/seven-falsehoods-about-health-care/](http://factcheck.org/2009/08/seven-falsehoods-about-health-care/) [8/14/09]
- <sup>5</sup> [cbsnews.com/stories/2009/08/12/eveningnews/main5237960.shtml](http://cbsnews.com/stories/2009/08/12/eveningnews/main5237960.shtml) [8/12/09]
- <sup>6</sup> [politicalticker.blogs.cnn.com/2009/08/14/palin-warns-of-disturbing-health-care-rationing/](http://politicalticker.blogs.cnn.com/2009/08/14/palin-warns-of-disturbing-health-care-rationing/) [8/14/09]
- <sup>7</sup> [latimes.com/news/nationworld/nation/la-na-health-end-of-life14-2009aug14,0,4670272.story](http://latimes.com/news/nationworld/nation/la-na-health-end-of-life14-2009aug14,0,4670272.story) [8/14/09]