



The High Stakes for Health Care in Election 2012

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Will President Barack Obama renew his oath of office in January 2013 – or will Mitt Romney place his hand on the Bible, surrounded by triumphant Republicans and billionaire Tea Party boosters? The answer will tell us a lot about the future of U.S. health care, because Democrats and Republicans want to go in opposite directions.

With a Democrat in the White House (or in charge of at least part of Congress), America will stay on track toward affordable care for all. The road will not be easy, yet Medicare and Medicaid will remain for senior citizens, the disabled, and the poor; and Obama's reforms will curb insurance abuses and help many more families and businesses buy health coverage.

But if Mitt Romney wins and radical Republicans led by Representative Paul Ryan run Congress, Americans can say good-bye to Medicare and Medicaid as we know them. Republicans have also pledged to repeal rules against insurance company abuses and eliminate tax credits and funding for expanded health coverage.

Slashing Medicare for Future Retirees and Medicaid for the Poor

Medicare now provides all senior citizens a guarantee of affordable physician and hospital care, plus help to pay for prescription drugs. *Medicaid* guarantees decent care to the poor and disabled, with the federal government paying most of the cost and the states sharing part of it. Romney and Ryan plan radical changes to these popular programs:

- *Medicare's guarantees would be abolished for people under age 55.* Until around 2022, all working Americans will still have to pay full taxes for this program, but those unlucky enough to retire starting ten years from now will not enjoy Medicare. Instead, they will have to shop for expensive private insurance plans using vouchers that steadily lose value. Even if some seniors are allowed to stay in a residual Medicare program, most will pay more for less. Nonpartisan analysts estimate that the Romney-Ryan vouchers would force seniors to pay about \$6000 more per year.
- *Between 14 and 27 million poor and disabled Americans – including children and frail elderly people – will lose Medicaid coverage or get reduced help.* Middle class families that need help to pay for nursing home care will feel the effects too. Starting in 2014, the federal government will sharply reduce funding and turn Medicaid entirely over to the states. Most states will cut benefits and enrollments, by necessity or choice.

Big Reductions in Employer-Provided Health Care

Romney and Ryan have promised to get rid of the federal tax advantages now granted to businesses and nonprofits that provide health coverage to their employees. With those advantages gone, and no rules to keep

employers from dumping costly benefits, independent analysts estimate that *millions of working Americans who now have coverage will lose it*. They will have to shop for private insurance with tax credits that pay for less coverage than their employer plans previously offered.

What Americans Will Lose if ObamaCare is Repealed

Although many Americans have not heard the good news, the full implementation of President Obama's health reforms after 2014 promises affordable health insurance coverage to virtually all citizens. If, as promised, Romney and Ryan repeal ObamaCare on "day one in office," the following benefits would be lost:

- More than thirty million uninsured Americans would not get the new coverage they will get if Obama's health reform survives. Obama's reforms promise to expand Medicaid to more low-income people, and give tax credits to businesses and millions of middle-class people to make private health plans more affordable.
- Insurance companies will go back to using fine print to dump policyholders who become sick, and they will be able to charge very high prices or deny coverage to adults and children with "pre-existing" health problems like diabetes or a heart condition. And they will again be able to charge seniors and women more.
- Benefits already in effect will be taken away. Medicare beneficiaries will lose free checkups and extra prescription drug coverage; and young adults will no longer be guaranteed a chance to join their parents' health plan.
- Obama's reforms require all insurance companies to spend four out of every five dollars on actual health care, not on CEO salaries or bloated bureaucracy. Republicans promise to eliminate those rules, raising costs for all insurance plans and denying rebate checks that now, by law, must be sent to policyholders if insurance companies don't meet the target.

Election 2012 as a Turning Point

It is hard to overstate the stark contrasts in Democratic and Republican plans for the future of U.S. health care coverage. Under the Romney-Ryan plan, from 40 to 50 million Americans will lose health insurance coverage they would otherwise have, and millions more will have to pay higher prices for the same or worse coverage.

While most Democrats are continuing a century-long quest to make health coverage affordable for all Americans, today's Republicans have given up on this goal. Pushed by Tea Party protestors and fat-cat funders demanding more tax cuts for the rich, Mitt Romney and Congressional Republicans intend to have the federal government do much less to help Americans pay for good health care in the years and decades to come. If Romney becomes president, the quality of health care each American receives will depend much more on how economically well-off his or her family happens to be. Voters should understand the high stakes as they go to the polls in November 2012.

This brief relies on analyses from the Center for Budget and Policies Priorities, the Kaiser Family Foundation, and the Congressional Budget Office; it also draws on Jonathan Cohn, "On Health Care, Romney Goes Retro," *The New Republic*, May 23, 2012.