



## United States House of Representatives

### **The Affordable Care Act—MYTH V. FACT:**

- **MYTH: The Affordable Care Act included a 3.8 percent “sales tax” on homes.**

**FACT:** False. There’s no such “sales tax” in the new health care law.

The law imposes a 3.8 percent tax on unearned income for high-income households (\$200,000 for individual taxpayers and \$250,000 for married couples filing jointly) or the amount that the modified adjusted gross income (MAGI) exceeds \$200,000 for singles and \$250,000 for those filing jointly, whichever is less.

- **MYTH: Medicare premiums will skyrocket as soon as the new law takes effect in 2014.**

**FACT:** False. Medicare officials currently predict the actual figure will be only slightly higher than it is today, from \$99.00 in 2012, to \$112.10 in 2014 (See [page 229](#) of the recently released Medicare Trustees Report).

- **MYTH: Health reform means the government can make life-and-death decisions for you.**

**FACT:** The Affordable Care Act does NOT give the government the power to make life-and-death decisions for anyone, regardless of their age. Today, these decisions are made by individuals, their doctor and their families. None of this will change. The rhetoric on the creation of “death panels” is pure fiction. The House version of healthcare reform would have reimbursed physicians for their time and expertise in counseling families on the options available for their loved ones, including continued hospital treatments, moving to a long-term care facility, hospice care, etc. This was not included in the final legislation and this benefit did not become law.

- **MYTH: Health reform is a government takeover of healthcare.**

**FACT:** The Affordable Care Act puts people, not health insurance companies or government, in charge of healthcare. Individuals will select the plan which best suits their own needs by choosing from a range of private plans that are offered through the health insurance Exchanges in each state.

The Exchange is a virtual marketplace where individuals and small businesses will be able to buy comprehensive health plans at a variety of price points (imagine Travelocity or Amazon for consumers). Exchanges are modeled on the Federal Employees Health Plan which Members of Congress currently participate in. Each plan in the Exchange must include a minimum level of benefits, and does not allow any discrimination based on pre-existing conditions, no lifetime insurance caps, and [free preventive care](#) including screenings, immunizations, health counseling, etc.

➤ **MYTH: The Affordable Care Act will ration the healthcare of seniors and cut their benefits.**

**FACT:** False. Health reform strengthens Medicare by lowering costs and increasing benefits. The Affordable Care Act cut the rate of Medicare growth by eliminating fraud and inefficiencies in the program, and reinvests the savings in Medicare and healthcare in general.

The Affordable Care Act actually expands Medicare benefits. It shrinks the Medicare drug coverage gap known as the ‘donut hole’ by requiring pharmaceutical companies to give a 50 percent discount on brand-name drugs. The ‘donut hole’ will eventually be closed entirely by 2020. The law also provides free coverage for key health preventive services, and strengthens the solvency of the Medicare Trust Fund.

➤ **MYTH: If you don’t buy health insurance, you’ll go to jail.**

**FACT:** The law specifically rules out criminal sanctions for failing to purchase insurance. Those who decide not to purchase insurance will be subject to a fine.

The penalty is \$95 per person in 2014 (or 1% of taxable income, whichever is greater); \$325 in 2015 (or 2%); and \$695 in 2016 (or 2.5%). Thereafter, the mandate is indexed to inflation, not to exceed the average cost of the plans in the Exchange.

➤ **MYTH: “Obamacare” is a job killer.**

**FACT:** False. Many who label health reform as a “job killer” are deliberately misreading the nonpartisan Congressional Budget Office report that estimated the law would “reduce the amount of labor used in the economy” by about 800,000 jobs. If read further, what the C.B.O. actually said was that while some low-wage jobs might be lost, the C.B.O. number mainly refers to workers who would no longer be dependent on employers for their healthcare safety net, and may choose to retire earlier or work part time. Those jobs would then be open for others who need them.

➤ **MYTH: Tax dollars are being used to fund abortions under health reform.**

**FACT:** The federal government does not and cannot pay for elective abortions. This does not change under The Affordable Care Act. Using federal funds for abortions has been explicitly prohibited by law for the last 36 years.

In 1976 Congress passed what is known as the “Hyde Amendment,” which prohibits federal funds from being used for abortion except in cases of rape, incest or where the life of the woman is endangered. This is settled law and has been routinely applied to all appropriations bills for more than three decades.

➤ **MYTH: Undocumented immigrants will get free care under health reform.**

**FACT:** There are no healthcare benefits for undocumented immigrants under the new law.

➤ **MYTH: The Affordable Care Act is going to put small businesses out of business.**

**FACT:** False. Millions of businesses will be eligible for tax credits as incentives for employers to offer health insurance to their employees. To be eligible for the credit, a business must have fewer than 25 full-time workers or the equivalent (the hours worked by part-timer workers count), pay an average annual wage of less than \$50,000, and cover at least half the cost of health insurance premiums for their workers. From 2010 through 2013, the tax credit covers up to 35% of the money a qualifying business spends on its health insurance premiums. In 2014, the top tax credit bumps up to 50%.