

FACT CHECK: Obama uses iffy math on deficit pledge Associated Press

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WASHINGTON – President Barack Obama used only-in-Washington accounting Wednesday when he promised to overhaul the nation's health care system without adding "one dime" to the deficit. By conventional arithmetic, Democratic plans would drive up the deficit by billions of dollars.

The president's speech to Congress contained a variety of oversimplifications and omissions in laying out what he wants to do about health insurance.

A look at some of Obama's claims and how they square with the facts or the fuller story:

OBAMA: "I will not sign a plan that adds one dime to our deficits either now or in the future. Period."

THE FACTS: Though there's no final plan yet, the White House and congressional Democrats already have shown they're ready to skirt the no-new-deficits pledge.

House Democrats offered a bill that the Congressional Budget Office said would add \$220 billion to the deficit over 10 years. But Democrats and Obama administration officials claimed the bill actually was deficit-neutral. They said they simply didn't have to count \$245 billion of it — the cost of adjusting Medicare reimbursement rates so physicians don't face big annual pay cuts.

Their reasoning was that they already had decided to exempt this "doc fix" from congressional rules that require new programs to be paid for. In other words, it doesn't have to be paid for because they decided it doesn't have to be paid for.

The administration also said that since Obama already had included the doctor payment in his 10-year budget proposal, it didn't have to be counted again.

That aside, the long-term prognosis for costs of the health care legislation has not been good.

CBO Director Douglas Elmendorf had this to say in July: "We do not see the sort of fundamental changes that would be necessary to reduce the trajectory of federal health spending by a significant amount."

OBAMA: "Nothing in this plan will require you or your employer to change the coverage or the doctor you have."

THE FACTS: That's correct, as far as it goes. But neither can the plan guarantee that people can keep their current coverage. Employers sponsor coverage for most families, and they'd be free to change their health plans in ways that workers may not like, or drop insurance altogether. The Congressional Budget Office analyzed the health care bill written by House Democrats and said that by 2016 some 3 million people who now have employer-based care would lose it because their employers would decide to stop offering it.

In the past Obama repeatedly said, "If you like your health care plan, you'll be able to keep your health care plan, period." Now he's stopping short of that unconditional guarantee by saying nothing in the plan "requires" any change.

OBAMA: "The reforms I'm proposing would not apply to those who are here illegally." One congressman, South Carolina Republican Joe Wilson, shouted "You lie!" from his seat in the House chamber when Obama made this assertion. Wilson later apologized.

THE FACTS: The facts back up Obama. The House version of the health care bill explicitly prohibits spending any federal money to help illegal immigrants get health care coverage. Illegal immigrants could buy private health insurance, as many do now, but wouldn't get tax subsidies to help them. Still, Republicans say there are not sufficient citizenship verification requirements to ensure illegal immigrants are excluded from benefits they are not due.

OBAMA: "Don't pay attention to those scary stories about how your benefits will be cut. ... That will never happen on my watch. I will protect Medicare."

THE FACTS: Obama and congressional Democrats want to pay for their health care plans in part by reducing Medicare payments to providers by more than \$500 billion over 10 years. The cuts would largely hit hospitals and Medicare Advantage, the part of the Medicare program operated through private insurance companies.

Although wasteful spending in Medicare is widely acknowledged, many experts believe some seniors almost certainly would see reduced benefits from the cuts. That's particularly true for the 25 percent of Medicare users covered through Medicare Advantage.

Supporters contend that providers could absorb the cuts by improving how they operate and wouldn't have to reduce benefits or pass along costs. But there's certainly no guarantee they wouldn't.

OBAMA: Requiring insurance companies to cover preventive care like mammograms and colonoscopies "makes sense, it saves money, and it saves lives."

THE FACTS: Studies have shown that much preventive care — particularly tests like the ones Obama mentions — actually costs money instead of saving it. That's because detecting acute diseases like breast cancer in their early stages involves testing many people who would never end up developing the disease. The costs of a large number of tests, even if they're relatively cheap, will outweigh the costs of caring for the minority of people who would have ended up getting sick without the testing.

The Congressional Budget Office wrote in August: "The evidence suggests that for most preventive services, expanded utilization leads to higher, not lower, medical spending overall."

That doesn't mean preventive care doesn't make sense or save lives. It just doesn't save money.

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OBAMA: "If you lose your job or change your job, you will be able to get coverage. If you strike out on your own and start a small business, you will be able to get coverage."

THE FACTS: It's not just a matter of being able to get coverage. Most people would have to get coverage under the law, if his plan is adopted.

In his speech, Obama endorsed mandatory coverage for individuals, an approach he did not embrace as a candidate.

He proposed during the campaign — as he does now — that larger businesses be required to offer insurance to workers or else pay into a fund. But he rejected the idea of requiring individuals to obtain insurance. He said people would get insurance without being forced to do so by the law, if coverage were made affordable. And he repeatedly criticized his Democratic primary rival, Hillary Rodham Clinton, for proposing to mandate coverage.

"To force people to get health insurance, you've got to have a very harsh penalty," he said in a February 2008 debate.

Now, he says, "individuals will be required to carry basic health insurance — just as most states require you to carry auto insurance."

He proposes a hardship waiver, exempting from the requirement those who cannot afford coverage despite increased federal aid.

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OBAMA: "There are now more than 30 million American citizens who cannot get coverage."

THE FACTS: Obama time and again has referred to the number of uninsured as 46 million, a figure based on year-old Census data. The new number is based on an analysis by the Kaiser Commission on Medicaid and the Uninsured, which concluded that about two-thirds of Americans without insurance are poor or near poor. "These individuals are less likely to be offered employer-sponsored coverage or to be able to afford to purchase their own coverage," the report said. By using the new figure, Obama avoids

criticism that he is including individuals, particularly healthy young people, who choose not to obtain health insurance.

Associated Press writer Jim Kuhnhehn contributed to this report.

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