



BACKGROUND QUESTIONS AND ANSWERS ON HEALTH CARE PLAN

Q. I like my current insurance coverage. Will I have to change plans?

A. No, you will not have to change plans. For those who have insurance now, nothing will change under the Obama plan – except that you will pay less. Obama’s plan will save a typical family up to \$2,500 on premiums by bringing the health care system into the 21st century: cutting waste, improving technology, expanding coverage to all Americans, and paying for some high-cost cases.

Q. How will I be able to sign up?

A. Signing up for the plan will be easy. You will be able to do it on your tax return, on the Internet, on forms you can get from your employer, in churches, libraries, motor vehicle bureaus and all sorts of places.

Q. How will the mandate that children be covered affect me?

A. When children are born, their parents will be assisted in signing them up for affordable, high quality coverage, either through their own employer-sponsored insurance plans, through Medicaid or SCHIP, or through options established by the Obama plan. We will continue to make sure that children are covered, which may include verification when parents sign them up for daycare or school. Obama’s plan will help parents make sure their children get the care they need, at the time they need it.

Q. I am on Medicaid / my family is on S-CHIP. Will I be able to stay on these programs?

A. Yes. The Medicaid and SCHIP programs are examples of successful state-federal partnerships, covering millions of low-income children, adults, disabled individuals and seniors, including many seniors in nursing homes. As we work to expand health coverage to every American, it makes sense to build upon these successful partnerships, and equally important, to increase the funding to keep them sustainable, instead of dismantling them. The Obama plan would actually expand Medicaid and S-CHIP to cover more families and working people.

Q. Won’t my employer drop coverage?

A. No. Employers who do not offer meaningful coverage to their employees will have to contribute a percentage of their payroll to help offset the cost of providing coverage to all Americans. In most cases, this will eliminate an employer's incentive to drop coverage. Some small employers will be exempt from this requirement.

Q. Obama says his plan will save \$2,500 annually for my family. How?

- A. Through a combination of developing efficiencies in the system, expanding coverage to all Americans, and picking up the cost of some high-cost cases. Specifically:
- Health IT investment, which will reduce unnecessary and wasteful spending in the health care system. Examples include extra hospital stays because of preventable medical errors and duplicative diagnostic tests;
 - Improving prevention and management of chronic conditions;
 - Increasing insurance industry competition and reining in the abusive practices of monopoly insurance and drug companies;
 - Providing reinsurance for catastrophic cases, which will reduce insurance premiums; and
 - Ensuring every American has health coverage, which will reduce spending on the "uncompensated" care of uninsured people who end up in emergency rooms and whose care is picked up by institutions and then passed through higher charges to insured individuals.

Q. I have insurance, but I spend so much money on deductibles, premiums and co-pays that I can't afford anything else. Will Obama's plan help me?

A. Yes. The Obama plan is designed to help people exactly like you. His plan will help the millions of families who currently have health insurance from their employer, but nonetheless are feeling squeezed by fast-rising premiums, co-pays, and deductibles. Nearly 11 million insured Americans spent more than a quarter of their salary on health care last year. Obama's plan will reduce a typical family's premium by up to \$2,500 by reducing costs, improving technology, and reigning in the power of insurance companies.

Q. I don't want the government telling me which doctors to see or what treatments to get. Will the Obama plan force these kinds of decisions on me?

A. Senator Obama agrees with you. His plan will not tell you which doctors to see or what treatments to get. Under the Obama health care plan, you will be able to keep your doctor and your health insurance if you want. No government bureaucrat will second-guess decisions about your care.

Q. Will I still have choice in health plans?

A. Yes. Obama's plan actually will increase the choices available to you. If you like the insurance you have now, nothing will change under the Obama plan, except that you will pay less. If you do not have insurance you can choose to enroll in the new public plan,

which will offer benefits similar to what every federal employee and member of Congress gets. Or you can choose private plan options through the national health exchange. But none of the plans will be allowed to drop you just because you get sick.

Q. I am a business owner, how does the Obama plan affect my company and the economy in general?

A. By reducing health care costs, the Obama plan will save employers \$140 billion per year.

First, Obama's plan includes a reinsurance pool for employers. If employer health care costs exceed a certain amount, the federal government will pick up the tab, as long as the employer agrees to pass the savings onto their employees. That helps businesses who have that one sick employee to be able to continue offering health insurance to their employees and keep their doors open.

Second, Obama's plan goes beyond short-term fixes to address the main cost drivers in health care, which will help to stabilize the rising costs of health care, which are simply unsustainable over the long term. The Obama plan makes a real investment in health IT and other health system changes, which will dramatically improve quality and efficiency of the health care system, bringing it into the 21st century. The Obama plan will also aggressively hold the insurance and pharmaceutical industries accountable for unfair and abusive practices that are raising prices for families and employers. Finally, Obama will invest in prevention and public health systems, which will help Americans stay healthy and lower costs from having to treat preventable diseases.

Third, for employers that already offer coverage to their employees, Obama's plan will make it less costly for them to continue to do so, because every American will be covered. The health care costs of the uninsured will no longer be passed along to those who do have health insurance, which will drive down health insurance premiums.

The Obama plan will also help employers that are unable to offer health coverage to their employees right now. The main reason employers do not offer health coverage to their employees is because it is simply too expensive. Obama's plan directly addresses the cost issue by allowing small employers to purchase a new public plan with subsidies for those who need it. For those who want private insurance, the Obama plan creates a National Health Insurance Exchange, which will act as a watchdog group and help reform the private insurance market by creating rules and standards for participating insurance plans to ensure fairness and to make coverage more affordable and accessible.

Q. I own a small business but don't offer insurance. How much will I have to pay for each employee? And how does the Obama plan help my small business?

A. Obama's plan will help small employers that are unable to offer health coverage to their employees right now. The main reason small employers do not offer health coverage to their employees is because it is simply too expensive. The Obama plan allows small

employers to enter the National Health Insurance Exchange to purchase either a new public plan or a private plan for their employees, who will be eligible for subsidies if they need them. Very small businesses and start-ups will be exempted from the obligation to pay into the system or provide meaningful coverage for their employees.

The reinsurance proposal will also reduce the volatility of premiums for small businesses. For small businesses, having a single employee with catastrophic expenditures can make insurance unaffordable for all of the workers in the firm. The Obama plan would reimburse employer health plans for a portion of the catastrophic costs they incur above a threshold if they guarantee such savings are used to reduce the cost of workers' premiums. Offsetting some of the catastrophic costs will make health care more affordable for employers, workers, and their families.

Q. What if I am self-employed?

A. Then you know how hard it is for self-employed people to buy affordable health insurance today. Obama's plan will ensure that small businesses and those who are self-employed have affordable health care. Obama's new health plan will give individuals the choice of buying affordable health coverage that is similar to the plan available to federal employees and members of Congress or a private health insurance plan through an insurance market place known as the Health Insurance Exchange. The insurance will be affordable for all Americans and the insurance companies will not be allowed to deny you coverage or drop you because you get sick, the way they do now.

Q. What if I have a pre-existing condition?

This guaranteed eligibility will apply to all private and public insurance plans, whether they are offered in the National Health Insurance Exchange or outside of it. No insurance companies will be allowed to discriminate because of a previous bout with cancer or some other pre-existing illness.

Q. Does the Obama plan support mental health parity?

A. Yes. Under the Obama plan, private insurance offered by employers and both the private and public insurance plans will include coverage of all essential medical services, including mental health care. Obama is a strong supporter of mental health parity and he believes that serious mental illnesses must be covered on the same terms and conditions as are applicable to physical illnesses and diseases. He does not think health insurance companies should be allowed to discriminate against the mentally ill.

Q. How much will it cost us taxpayers?

A. The Obama plan will cost between \$50-65 billion a year when fully phased in.

Q. How will we pay for the Obama plan?

A. The Obama plan will realize tremendous savings within the health care system to help finance the plan. The additional revenue needed to fund the up-front investments in technology and to help people who cannot afford health insurance is more than covered by allowing the Bush tax cuts to expire for people making more than \$250,000 per year, as they are scheduled to do.