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A Primer on the Details of Health Care Reform

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WASHINGTON — With the debate over the future of health care now shifted from Capitol Hill to town halls, supporters and critics of the Democrats' legislative proposals are polishing their sound bites and sharpening their attack lines.

Increasingly, the battle looks like a presidential contest, with expensive advertising campaigns and Internet-driven efforts to mobilize local support. It can be difficult to sort fact from fiction, as angry protesters denounce the legislation at raucous public forums.

[President Obama](#) and his Democratic allies in Congress have made the health care overhaul their top priority, putting their political futures on the line. Democrats had hoped to spend the month whipping up support for the legislation, but instead find themselves on the defensive, responding to what Mr. Obama describes as “outlandish rumors” spread by critics.

Many Republicans view fighting the president as a smart political strategy, turning a potentially wonkish debate over [Medicare](#) reimbursement rates and subsidies for the uninsured into an ideological battle over the government's role in health care.

Each side hopes to win ground by boiling down one of the most complex policy discussions in history into digestible nuggets. For beachside viewers who might be more interested in iced-tea service than fee-for-service, here is a guide to the main fight points.

KEEP IT OR LOSE IT?

Mr. Obama has said repeatedly, as he told the [American Medical Association](#) in June: “If you like your doctor, you will be able to keep your doctor, period. If you like your health care plan, you'll be able to keep your health care plan, period. No one will take it away, no matter what.”

These assurances reflect an aspiration, but may not be literally true or enforceable.

The legislation does not require insurers or employers to continue offering the health benefits they now provide. The House bill sets detailed standards for “acceptable health care coverage,” which would define “essential benefits” and permissible co-payments.

Employers that already offer insurance would have five years to bring their plans into compliance with the new federal standards.

The Senate health committee bill goes somewhat further by offering an “option to retain current insurance coverage.”

The legislation could have significant implications for individuals who have bought coverage on their own. Their policies might be exempted from the new standards, but the coverage might not be viable for long because insurers could not add benefits or enroll additional people in noncompliant policies.

Dallas L. Salisbury, president of the Employee Benefit Research Institute, a private nonpartisan group, said: “The president and Democrats in Congress are saying what they would like. Their promises may not be literally true because your health plan may change, and your doctor may no longer accept your insurance.”

SOCIALIZED MEDICINE

Or Uniquely American?

Republicans harshly criticize Democratic proposals to create a government-run insurance plan, or public option, to compete with private insurers. Republicans say the public plan would drive insurers out of business and lead to “socialized medicine” or a government takeover of health care. Democrats say they want a “uniquely American” system with public and private elements.

For now, the Republican criticism seems overblown. Major versions of the legislation all rely heavily on a continuation of private health plans, offered by employers and by insurance companies, subject to sweeping new federal regulations.

Whether a public plan would crowd out private insurers depends on details yet to be decided, including its premiums and its payment rates for health care providers.

The public plan is not even a certainty. To win bipartisan support for the overhaul, some Democrats have proposed private nonprofit health care cooperatives, instead of a public plan, to compete with private insurers.

The [Congressional Budget Office](#) has estimated that, under the House bill, the number of people with employer-sponsored insurance would climb to 162 million in 2016, which is 3 million more than expected under current law. Further, it said, enrollment in the proposed public plan might total 11 million, far lower than estimates cited by Republicans.

An additional 10 million people, most of them now uninsured, would enroll in [Medicaid](#), the budget office said.

At any rate, the federal government already holds sway over the health care system through Medicare, Medicaid and various insurance programs for children, veterans, military personnel and other federal employees. The federal government will account for 35 percent of the expected \$2.5 trillion in health spending this year, and that does not include subsidies built into the tax code.

BLAMING INSURERS

Or Ensuring Blame?

Democrats have unleashed a blistering attack on private health insurers as they try to convince the vast majority of Americans who already have coverage that the current system is tilted in favor of corporate profits, not patients, and that insurers are a main obstacle to passing legislation.

Insurers say they support some of the most important Democratic proposals, including a ban on denying coverage or charging higher premiums based on pre-existing medical conditions.

The insurance industry does oppose a government-run insurance plan and could eventually mobilize against the overhaul. But insurers appear to be less of an obstacle than public [apprehension](#) over such sweeping change and skittishness among lawmakers, including centrist Democrats from Republican-leaning districts.

Most Americans do not know the full cost of their employer-sponsored insurance. And it is easier for Democrats to paint insurers as greedy than to explain the complex math that shows current health care spending is unsustainable.

DEFICIT-NEUTRAL

Or Budget-Buster?

Mr. Obama has avoided dictating specific provisions of health care legislation. But he has insisted that the bill not add to the federal debt, leading Democrats to say that the overhaul will be “deficit neutral,” with the roughly \$1 trillion, 10-year cost to be offset by reduced spending or new taxes.

The Congressional Budget Office has yet to issue cost estimates for the latest versions of the bill approved by three House committees. But it has warned that the legislation “would probably generate substantial increases in [federal budget](#) deficits” beyond 2019, in part because health costs are rising faster than the rate of inflation and proposed new taxes would not keep up.

Republicans use those warnings to cast doubt on the claim by Mr. Obama that the legislation will “bend the cost curve” by slowing the growth of health spending in the

long term. Democrats say the overhaul will lead to savings that cannot be calculated under budgeting rules. At this point, it is difficult to know who is right.

Over the next 10 years, the budget office said, the House bill would “result in a net increase in the federal budget deficit of \$239 billion,” partly because of an increase in Medicare spending to avert sharp cuts in payments to doctors scheduled to occur under existing law.

House Democrats say the higher doctor payments should not count in the cost because they fix a problem that predates the Obama administration and Democratic control of Congress.

EUTHANASIA

And Abortion

Conservative critics say the legislation could limit end-of-life care and even encourage euthanasia. Moreover, some assert, it would require people to draw up plans saying how they want to die.

These concerns appear to be unfounded. AARP, the lobby for older Americans, says, “The rumors out there are flat-out lies.”

The House bill would provide Medicare coverage for optional consultations with doctors who advise patients on life-sustaining treatment and “end-of-life services,” including hospice care.

The legislation instructs Medicare officials to propose ways to measure the quality of end-of-life care. Doctors would have financial incentives to report data on such care to the government.

On abortion, the situation is more complex. Opponents of abortion, like the National Right to Life Committee, say the legislation would use tax dollars to subsidize insurance that could cover abortion.

Under a bill approved by the House Energy and Commerce Committee, health plans, including the new government insurance plan, could choose to cover abortion. But they generally could not use federal money to pay for the procedure and instead would have to use money from the premiums paid by beneficiaries.

Douglas D. Johnson, legislative director of the National Right to Life Committee, said, “Under either the Senate bill or the House bill, the federal government would run a huge system of subsidizing elective abortion.”

Representative Diana DeGette, Democrat of Colorado, said the bill would keep current restrictions on the use of federal money for abortion, but “would not expand the prohibitions, as many Republicans want to do.”

CUTTING MEDICARE

Or Preserving It?

To help finance coverage for the uninsured, Congress would squeeze huge savings out of Medicare, the program for older Americans and the disabled. These savings would pay nearly 40 percent of the bills’ cost.

The legislation would trim Medicare payments for most services, as an incentive for [hospitals](#) and other health care providers to become more efficient. The providers make a plausible case that the cutbacks could inadvertently reduce beneficiaries’ access to some types of care.

The Senate Republican leader, [Mitch McConnell](#) of Kentucky, said Democrats would make “massive cuts to Medicare to pay for more government-run health care.”

Mr. Obama told AARP last month, “Nobody is talking about reducing Medicare benefits.” All the savings, he said, would come from measures to “eliminate waste and inefficiency in Medicare.” As an example, he cited duplicative tests ordered by different doctors for the same patient.

But some proposals could affect beneficiaries. The major bills in Congress would cut more than \$150 billion over 10 years from federal payments to private health plans that care for more than 10 million Medicare beneficiaries.