



## **The Senate Health Care Reform Bill Strengthens our Nation's Economic Health January 2010**

In addition to helping millions of households achieve financial stability by saving families anywhere from \$500 to over \$7,000 on premiums depending on their income<sup>1</sup> and limiting out-of-pocket costs, the benefits of the Senate-passed *Patient Protection and Affordable Care Act* will extend beyond family budgets to strengthen our nation's economic health.

### ***The Patient Protection and Affordable Care Act***

#### **Provides a much needed boost to the economy by:**

- **Providing immediate relief from rising health care costs for small businesses.** The *Patient Protection and Affordable Care Act* will offer \$38 billion in tax credits over the next 10 years to small businesses that provide coverage for their employees.<sup>2</sup> These credits will ease the burden of rising health care costs so small business owners can afford to continue creating jobs and growing our economy.
- **Leading to hundreds of thousands of new jobs each year.** Economists David Cutler and Neeraj Sood found that both bills before Congress would slow the growth of health care costs and lower business costs. In doing so, the proposals will create 250,000 to 400,000 new jobs annually over the next decade while increasing wage growth.<sup>3</sup>

#### **Puts the federal government on the path to long-term financial stability by:**

- **Showing an unprecedented degree of fiscal responsibility.** Unlike Medicare Part D, which increased the deficit, the *Patient Protection and Affordable Care Act* is fully paid for. A significant percentage of these offsets come from within our current health care system by reducing waste and inefficiencies.
- **Reducing the federal deficit.** The Congressional Budget Office estimates that the *Patient Protection and Affordable Care Act* will reduce the deficit by over \$130 billion dollars by 2019.<sup>4</sup> That means that our federal deficit will be *smaller* if Congress passes health reform than if Congress does nothing at all.
- **Extending the life of the Medicare Trust Fund.** Under current law, the Medicare trust fund would be exhausted sometime during fiscal year 2017. By cutting waste out of the Medicare program and by increasing its revenues, the *Patient Protection and Affordable*

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<sup>1</sup> Jonathan Gruber. "The Senate Bill Lowers Non-Group Premiums: Updated for New CBO Estimates", November 27 2009. [http://www.whitehouse.gov/files/documents/Gruber\\_Report\\_4.pdf](http://www.whitehouse.gov/files/documents/Gruber_Report_4.pdf)

<sup>2</sup> Congressional Budget Office. Analysis of the Patient Protection and Affordable Care Act, December 19 2009. [http://www.cbo.gov/ftpdocs/108xx/doc10868/12-19-Reid\\_Letter\\_Managers\\_Correction\\_Noted.pdf](http://www.cbo.gov/ftpdocs/108xx/doc10868/12-19-Reid_Letter_Managers_Correction_Noted.pdf)

<sup>3</sup> David Cutler and Neeraj Sood. "New Jobs Through Better Health Care", January 2010. [http://www.americanprogress.org/issues/2010/01/pdf/health\\_care\\_jobs.pdf](http://www.americanprogress.org/issues/2010/01/pdf/health_care_jobs.pdf)

<sup>4</sup> Congressional Budget Office. Analysis of the Patient Protection and Affordable Care Act, December 19 2009. [http://www.cbo.gov/ftpdocs/108xx/doc10868/12-19-Reid\\_Letter\\_Managers\\_Correction\\_Noted.pdf](http://www.cbo.gov/ftpdocs/108xx/doc10868/12-19-Reid_Letter_Managers_Correction_Noted.pdf)

*Care Act* adds \$358 billion to the Medicare trust fund over the next ten years and leaves it with a positive balance at the end of 2019.<sup>5</sup>

**Begins to rein in soaring health care costs by:**

- **Investing in primary and preventive care** so illnesses are prevented and problems are treated earlier on in the most cost-effective settings.
- **Creating a commission to recommend improvements to Medicare and by fast-tracking consideration in Congress**, helping to slow entitlement spending and enhance the quality of care in Medicare.
- **Promoting integrated care for those who are dually eligible for Medicare and Medicaid.** These “dual-eligibles” often suffer from uncoordinated care that drives up their health care costs while reducing their quality of life. People dually eligible for Medicaid and Medicare comprise only 14 percent of the Medicaid population, but account for 40 percent of costs.<sup>6</sup>
- **Establishing national pilot programs that test and evaluate new strategies to reduce costs while improving the quality of care people receive.** These programs include bundled payments, global payments, accountable care organizations and medical homes through multiple payers and settings.

**Key Takeaway: The *Patient Protection and Affordable Care Act* will stimulate the economy, lower the federal deficit, and curb soaring health care costs.**

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<sup>5</sup> Congressional Budget Office. Analysis for Honorable Jeff Sessions, January 22 2010. [http://www.cbo.gov/ftpdocs/110xx/doc11005/01-22-HI\\_Fund.pdf](http://www.cbo.gov/ftpdocs/110xx/doc11005/01-22-HI_Fund.pdf)

<sup>6</sup> Kaiser Family Foundation. Medicare Chart Book, summer 2005. <http://www.kff.org/medicare/7284.cfm>