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Congress of the United States
House of Representatives
Washington, DC 20515-1703

April 5, 2012

Senate Minority Leader Mitch McConnell
317 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator McConnell,

I read with interest your March 23 editorial in *The Courier-Journal*, "Repeal Obamacare and Make Actual Reforms." While we may disagree about the policies of the Affordable Care Act, we can agree the law is affecting and will continue to affect our shared constituents in the 3rd Congressional District and citizens throughout Kentucky.

As Members of Congress, I believe we have an obligation to give our constituents the full facts about the law. When distortions and misinformation are allowed to displace the facts, each individual and every business in our state is left at a disadvantage that could cost them time, money, or much worse: their health.

In this spirit, I want to call to your attention several inaccuracies in your editorial that should be corrected.

1. *"The nonpartisan Congressional Budget Office has estimated that the health spending law will increase premiums for the average family plan by \$2,100, despite the President's promise that it would lower costs."*

The average American family will not see a premium increase at all. A CBO comparison of equivalent insurance reveals that under the Affordable Care Act, premiums will actually decrease by 8 percent.

Some families could *choose* to pay more by purchasing a more expensive plan in the health exchange. If they chose to maintain an equivalent level of coverage, the family would pay nearly \$3,000 less than your estimate and \$600 less than they are currently paying. This is according to a letter sent to your office by CBO Director Douglas Elmendorf on Jan. 11, 2010.

To be fair, the \$2,100 figure is not completely made up. It appears in a 2009 CBO report and has been misrepresented since. CBO calculated projected premium costs for a family that does not receive insurance through an employer, buys their insurance in the individual market, and is not slated to receive any subsidies under the Affordable Care

Act. According to the CBO, less than 8 percent of all insurance consumers would fit this scenario – far from the “average family” in your editorial. Most importantly, their premiums would only increase if they chose more generous health coverage.

The CBO also reports that under the Affordable Care Act, beneficiaries will get more coverage for their money and should see a drop in out-of-pocket expenses.

2. *“A recent Gallup survey found that 48 percent of small businesses are not hiring now for fear of the potential cost of this law, and just as many are not hiring over concerns of government regulations on health care.”*

Not true. In fact, the poll you mention did not include any questions about the Affordable Care Act or government regulations related to health care. You even misstate the premise of the poll: It only surveyed business owners who are not planning to hire, not all small-business owners as you suggest.

The same Gallup poll reports that “small-business owners’ hiring intentions are currently the best they have been since January 2008” (emphasis theirs), and that U.S. economic confidence is approaching its highest levels in the past four years.

Your claim is a significant distortion of public opinion. Health care, generally speaking, was the fifth response in a list of eight included in the poll. The overwhelming reason these small-business owners weren’t looking to hire was that they “don’t need any additional employees at this time.”

This is not a matter of interpretation but one of fact. Here is the poll for your reference:

Why are you NOT looking for new employees?

Among small-business owners who say they are not currently looking for new employees

	%
Don't need any additional employees at this time	76%
Worried revenues or sales won't justify adding employees	71%
Worried about the current status of the U.S. economy	66%
Worried about cash flow or ability to make payroll	53%
Worried about the potential cost of healthcare	48%
Worried about new government regulations	46%
Worried you may no longer be in business in 12 months	24%
Some other reason	20%

Wells Fargo/Gallup Small Business Index, Jan. 9-13, 2012

GALLUP

3. *“His law cuts a half-trillion dollars from Medicare...”*

No, it does not. The CBO reports that the law increases Medicare funding by \$113 billion over 10 years. And savings are not cuts. The Affordable Care Act saves \$500 billion in

Medicare, with a substantial amount of those savings coming from reductions in excessive subsidies to insurance companies offering Medicare Advantage plans.

The law reinvests cost savings into Medicare, with a 6 percent increase for the program expected annually over the next 10 years. In contrast, the House Republican FY13 budget proposal slashes more than \$1 trillion from Medicare over the same period.

Far from the implication in your editorial, the reality is that anyone receiving Medicare services enjoys additional benefits under the Affordable Care Act. The law closes the prescription drug “doughnut hole” for seniors, a provision that has already saved the average Louisville senior \$610 on his or her prescription drugs. It provides a 50 percent discount on brand-name drugs, and it has already made key preventive care available for free to more than 84,000 Louisville seniors.

It is also worth noting that the House Republican budget retains all but \$10 billion of the \$500 billion in cost savings over the next 10 years while providing none of the new benefits for seniors.

4. *“The law will severely burden Kentucky’s Medicaid system by putting a whopping 29 percent of Kentucky’s population on Medicaid...”*

The Affordable Care Act will allow hundreds of thousands of uninsured Kentuckians to gain access to health care in 2014 – this is true. But it will do so at little comparative cost to the state.

Most individuals under the age of 65 – children, pregnant women, parents, individuals with disabilities, and childless adults – with family incomes at or below 133 percent of the poverty level (\$14,400 per year for an individual and \$29,300 for a family in 2010) will be eligible for Medicaid.

The federal government will pay the entire cost of care for those newly enrolled in Medicaid as a result of the health reform law over the next three years, with the federal share slowly declining to 90 percent for 2020 and beyond.

In other words, Kentucky will never pay more than 10 percent of the cost of Medicaid expansion under the Affordable Care Act. Yet hundreds of thousands of uninsured Kentuckians will receive health care coverage under the law.

5. *“Two years later, it’s clear that the health spending law will increase health care costs, reduce the number of new jobs created, and raid Medicare.”*

As outlined above, your claims about consumer cost and Medicare are not supported by facts. The last point, about job creation, is also wrong.

During the two years you claim a reduction in job creation, the Bureau of Labor Statistics reveals that our economy has seen continued private sector job growth, with 3.5 million new jobs created – including 488,000 jobs in the health care industry. The BLS projects that over the first 10 years of the Affordable Care Act, the health care and social assistance sector will gain 5.6 million jobs – more than any other employment sector.

That is why the nonpartisan website Factcheck.org called the false claim that the Affordable Care Act will cost jobs the “Whopper of 2011” in its list of that year’s worst political deceptions.

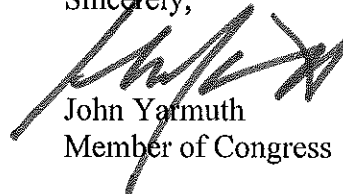
Unfortunately, misrepresentations like those in your editorial have prevented some Americans from taking advantage of the important benefits already available under the Affordable Care Act. For example, 4.4 million small-business owners are now eligible for health care tax credits, yet only 360,000 have used them. These credits cover 35 percent of health care costs for small-business owners and up to 50 percent starting in 2014.

Still, we continue to hear – from you and other Republican leaders – false messages that the law will hurt small businesses. In perpetuating such myths, you are placing millions of small businesses at a competitive disadvantage by withholding and distorting the facts about provisions of the law that directly and substantially benefit them.

In 2009, at the height of the national debate over the Affordable Care Act, I hosted a town hall meeting where our shared constituents in Louisville could ask me about any aspect of health care reform. We had a robust and constructive discussion. While I understand that your role in Senate leadership makes scheduling such events difficult for you, I want to reiterate my offer for you to join me in a public discussion of these issues, which are of great concern and consequence to our constituents. They deserve the opportunity to hear all the facts of the law, not false claims and irresponsible distortions.

I hope you will work with me to ensure that our constituents can make the most informed decisions about their health care and their businesses as the policies of the Affordable Care Act continue to take effect.

Sincerely,



John Yarmuth
Member of Congress