

## Non-Partisan Analysis Refutes Partisan HHS Report on Health Care Premiums

*HHS Ignores Key CBO Data, Selectively Quotes Report*

Washington, DC - Ways and Means Chairman Dave Camp (R-MI) today made the following statement in response to a Department of Health and Human Services (HHS) report on the impact of the Democrats' health care law on premiums:

"This report would be laughable if it wasn't so disingenuous. The facts remain clear: the Democrats' health care law increases health care costs. If the Obama Administration is interested in putting out its own analysis, maybe it should recirculate the findings of its own Medicare Actuaries which predicts the law will drive health care spending up by more than \$300 billion over the next 10 years. Additionally, HHS should honestly cite the entire non-partisan Congressional Budget Office (CBO) premium impact analysis that predicts the Democrats' health care overhaul will result in insurance premiums being as much as 13 percent higher than if the Democrats had not passed the law at all. With every day that passes it becomes increasingly clear that with its high costs, new taxes and budget busting gimmicks, the Democrats' health care law is bad medicine for America."

### Background:

On page 5 of [CBO's letter](http://www.cbo.gov/ftpdocs/107xx/doc10781/11-30-Premiums.pdf) (<http://www.cbo.gov/ftpdocs/107xx/doc10781/11-30-Premiums.pdf>) on premium impacts to Sen. Bayh dated November 30, 2009, which serves as the basis for today's Obama Administration "report," CBO expresses three key findings. Chief among them is that insurance premiums will increase by 27-30 percent due to the various mandates and regulations resulting from the law. The Obama Administration ignored this finding and instead reported only on other factors that could produce savings but which do not outweigh the cost increases. The Obama Administration reached this conclusion by assuming that "individuals do not decide to purchase better coverage," ignoring the fact that if they did not buy the "better coverage" they would be forced to pay the new individual mandate penalty because their coverage would not meet the law's requirements for minimum coverage. All told, CBO predicts premiums will increase for these individuals by up to 13 percent, on average, not the 20 percent decrease claimed by the Obama Administration's report.

<b>CBO Letter to Senator Bayh November 30, 2009</b> Percent Differences in Average Non-group Premiums As A Result of the Democrats' Health Care Overhaul		
Difference in Amount of Insurance Coverage	27% to 30% increase	Ignored By HHS Report
Difference in Price of a Given Amount of Insurance Coverage	7% to 10% decrease	Selectively Reported by HHS
Difference in Types of People with Insurance Coverage	7% to 10% decrease	Selectively Reported by HHS
<b>TOTAL</b> Difference Before Accounting for Subsidies	10% to 13% increase	Ignored By HHS Report

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