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Health Care Repeal Would Have Costly Consequences for Consumers and Small Businesses

WASHINGTON, Jan. 10 – Consumers and small businesses will face significantly higher insurance premiums and could see costly coverage denials and price discrimination if efforts to repeal the federal health care law prevail in Congress or in the courts, according to [The Cost of Repeal: Examining the Impact on Consumers and Small Businesses of Repealing the New Federal Health Care Law](#), a new report released today by the U.S. Public Interest Research Group (U.S. PIRG).

According to the report, in the short term, repeal would strip tax credits from over four million small businesses. And over the longer term, the cost of offering employer-based health insurance could jump by more than \$3000 a year over current law.

“ In today’ s economy, the higher costs that would result from repeal are the last thing that America’ s consumers and businesses need,” said Larry McNeely, U.S. PIRG’ s Health Care Advocate.

The [new U.S. PIRG report](#) draws on data from independent sources, including the nonpartisan Congressional Budget Office, other government agencies, business groups and health analysts, and finds the following:

Repealing the new state health insurance exchange would drive premiums on the individual market up to 20% higher for the same coverage by 2016.

Without the new law’s insurance reforms, the more than 57 million Americans who have pre-existing conditions, ranging from asthma to cancer, will continue to face coverage denials and price discrimination when purchasing their own insurance.

If the insurance reforms are repealed, women will continue to pay higher prices than men for health coverage.

Rolling back last year’s law would drive up employer health costs, resulting in 4.5 million less jobs per year by the end of the decade.

Outright repeal would terminate establishment or expansion of 8200 community health centers across the country.

The U.S. House of Representatives is likely to consider a repeal bill later this month. And Washington’s intensely partisan debate over health care threatens to spill over to the nation’ s state Capitols as the

Governor and state legislators consider key implementation decisions.

[The Cost of Repeal](#) recommends a set of pro-active policy changes on which supporters and opponents of last year's health care law should be able to find common ground. These include:

Using the substantial authority which states have under current law to design a health insurance exchange that is adapted to meet the needs of our state's markets, consumers, and businesses.

Taking additional steps to contain health care costs, like using information technology to ensure that doctors receive the latest research about which treatments are most effective – at the patient's bedside.

Cracking down on balance-billing, a practice whereby hospitals or providers accept payment from a patient's insurance plan, then charge additional amounts-above and beyond the usual co-pays and cost sharing.

"Before our elected officials join this headlong rush to repeal, they should consider the consequences and look for solutions that hold down costs, not increase them," said McNeely.

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[U.S. PIRG](#), the federation of state Public Interest Research Groups, is a non-profit, non-partisan public interest advocacy organization. For more information visit <http://www.uspirg.org>.