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Title

Good day and welcome to **The Economic Impact of the Patient Protection and Affordable Care Act of 2010 On The Economy, Federal & State Treasuries, Health Care Providers, Small & Large Businesses and Individuals & Families** video presentation, or by the more accurate title;

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How Obamacare will save lives and the economy despite the lies you've been told to the contrary.

With the extreme partisanship in Congress and because the ACA is over 2,000 pages long, it is easily exploitable politically. That exploitation comes from the lack of instant gratification for spontaneous economic growth, the unwillingness of people to read the law and flat out blind trust that many people have for their House and Senate Representatives. Most of those who oppose the ACA are aware of the positive affects the law will have, however, their hatred for towards the president and his party is stronger than their moral obligation to be honest with their constituents.

We have spent two years studying everything we can to understand the law and its effects on Americans, the government and the economy. We have assembled as much information and data that can be found to determine the potential economic outcome for the country and for Americans. As we culled through all of the information, we were very surprised to find that the ACA will save lives, reduce personal debt, create jobs and grow the economy, absent any attempt by Congress to change it in way that the members can say "We told you it was bad for Americans". That's what this presentation is about, the economic affect this law will have on the country and on people.

We have made every attempt to give a detailed assessment of the data without a lot of unnecessary dialog. Despite our efforts to keep this presentation short, it will last about 1 ½ hours due to the complexity of the ACA and the need to be as thorough as possible. We were not able to find a viable analysis that shows how the micro-economics of households and small businesses tie into the macro-economics of the country. Almost all of the employment and economic analyses about the ACA has been patchy if not incomplete at best; no one has attempted to give a complete and easily understood analysis. It's that lack of understanding which has made it easy for politicians to exploit and demonize the law. For this presentation, we have also tried to provide some of the economic predictions and information without all of the technical jargon.

We're going to start with the politics and history behind the law, then go through the personal and national economic effects of the ACA.

After the presentation we will open the call for questions and answers. Please try to keep your questions to how the ACA may affect the economy and personal or business finances. Although we do address the premium and out-of-pocket costs, we are doing this as these costs relate to the primary subject of employment and the economy; the medical coverage

itself is not the main premise of this presentation. We will answer question about the insurance coverage and exchanges as best as we can, however we do recommend that you contact your state exchange office or visit other websites for more detailed information.

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Why Our Organization

We are about putting Americans back to work and keeping Americans employed.

Nothing moves an economy forward faster than Americans working. When more people are active in the workforce, the economy grows and the economy grows even faster when people are paid a little more than living wages. When working households have more income available for discretionary spending and not just enough to pay for the necessities; the economy grows. A growing economy creates more jobs, creates more small businesses and makes a better funded government.

Poor health and untreated illnesses cost families income from lost wages, catastrophic illnesses cause poverty and increased unemployment. For hundreds of thousands if not millions of Americans who have to decide between food and health care, they will feed their families. For hundreds of thousands of other people throughout the country, this is literally a matter of life and death. Thousands of American families will be saved from the poverty that results from catastrophic health care costs.

The Affordable Care Act of 2010 will keep Americans working and grow the economy. Healthy people in the workforce and at home help to keep unemployment and underemployment down. The ACA will also improve employee production for employers which helps them save money and meet or even create new production and economic goals.

To advocate for "Made in USA" medical equipment and supplies.

Last year, 2012, we imported over \$125 billion worth of medical equipment, medications and supplies. If these were made here in the US, a little over 622,000 Americans would have been directly employed in manufacturing and in the direct supply chain of the health care industry. With the research we have found, 7 – 10 indirect supporting and peripheral jobs can be created for each manufacturing job; which means that because of the lateral cascade effect, at least 4 million Americans could have been working instead collecting unemployment insurance and using social service programs.

As we will point out later, the health care industry will need equipment and supplies as the ACA becomes fully implemented, which means more manufacturing employment opportunities, if health care providers insist on "Made in USA" equipment and supplies. Without any other legislation that will grow the economy, this legislation could reduce unemployment to about 5% in as little as 3 years; which is faster than what most government economists have predicted without the ACA.

As it is, the ACA by itself may lower the official unemployment rate to below 7% during the first 6 – 12 months of implementation of the individual mandate. Most of the opponents are aware of this, and because they are more concerned with party image and dogma than they are about the economy and Americans, they will do everything they can to destroy this health care law.

Intentional misinformation and partisan rhetoric.

A large number of our members of Congress have spent the last 3 years in a campaign of intentional misinformation centered on the ACA. Some of that misinformation is telling small businesses that they need to fire people because they will have to provide health care for their employees. They keep telling us that the ACA is going to destroy the economy because tax payers will have to pay 100% for all of the health care provided. One of the biggest lies they tell is that your premiums

will be double that of open market costs. Everyone will be able to defraud the government. Illegal aliens will get free health care.

We will be providing facts that show how all of these and other talking points are blatant lies.

Government intervention has helped grow every major industry in the US.

Historically, and without exception, every industry has had growth surges as result of some kind of government intervention. Without that intervention, this sampling of industries would not have grown.

During the last half of the 1800's the railroads had a surge in growth because the federal government gave land to the railroads for expansion.

Henry Ford would not have succeeded had a federal court not intervened with his insistence. That court decision opened the US to automotive design, engineering and manufacturing to hundreds of automotive manufacturers. Since the early 1900's various federal regulations were developed to improve safety. Those safety regulations created manufacturing jobs.

Without the federal highway system, cargo and individual transportation would remain regional and muddy. The freeway opened up new markets for small manufacturers which became large manufacturers. The freeways opened huge expanses of land for cities to grow, people to visit and in fact contributed to population growth when people moved across the country and immigrants weren't relegated to a few regions in New England or the West Coast.

Electricity would never have made it past the battery if not for several federal projects during and after the Great Depression that created hydroelectric dams and laid power lines to almost every part of the country. The same goes for the telephone and cellular systems.

The computer as we know it, small and portable, would not have made it past Steve Jobs first few designs if it weren't for projects funded by the federal government in the 1960's that eventually turned into the digital technologies we have today. Without the internet, computers would be nothing more than fancy calculators and word processors, today computers are complete entertainment and communication systems.

By making health care financially available and open to every American, the government will create growth in absolutely every industry directly or indirectly.

Provide important economic information.

With most members of Congress refusing or reluctant to provide the economic information needed, all we have had for the last 5 years is political dogma to go on.

We will provide the economic impact the ACA will have on the US economy.

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Political Defiance

Not since the screaming and bawling from the "haves" against the "have nots" about Medicare in the 1960s has so much hatred for other Americans been so publicly expressed. In the 1960s the "haves" hated that the "have nots" would have something that could help them.

Health care for Americans has always been a partisan issue. That partisanship is almost always traded back and forth. Sometimes conservatives are for it, sometimes liberals are for it; but always, when one side wants it, the other side doesn't and in some cases it was even an interparty conflict. The reality of it is that for the last 40+

years, both sides have wanted it at some time. Health care for Americans really is never the issue, it is always about towing the party line with no substantial reason except to further divide the “haves” from the “have nots”.

In the mean time, real humans are dying because of untreated health problems and whole families are becoming economically destroyed because of the cost of health care; which also makes this an issue of morality.

Some members of Congress hate the ACA and are fighting hard to prevent it's implementation because it will save lives, it will help the poor, help the elderly, help children, help people keep their jobs, create jobs and help grow the economy.

The ACA has an ignored and forgotten conservative history.

The original proposal, including the individual mandate, of the ACA was developed by the extreme conservative group The Heritage Foundation in 1989. The former Speaker of the House Newt Gingrich even promoted it to Congress and the public, with positive responses from all political views.

Mitt Romney took that original version of the ACA, as it was proposed by the Heritage Foundation – with some changes, for Massachusetts and got it implemented with partisan support in 2006. Informally referred to as Romneycare, and officially entitled “An Act Providing Access to Affordable, Quality, Accountable Health Care”.

2007 & 2008 Race for the Whitehouse.

Early to mid 2007 professional politicians started entering the presidential race, most notably were Hillary Clinton, Barack Obama and John McCain. Clinton jumped on Heritage plan with some modifications. The primary modification, the business mandate introduced by Clinton, may have been one of the reasons her bid for becoming president failed. Obama adopted the future program for future introduction through a favorable Congress; not until it was passed did Americans realize what had happened.

Defiance against political and constituent concerns.

Democrats and Republicans alike hated the act, but, towing the party line, Democrats voted for it, and because they controlled the House it was a guaranteed pass. When Pelosi was questioned about the ACA, she stated “We have to pass the bill so that you can find out what is in it.” That single statement of blatant defiance cost the Democrats their Congressional majority in 2010. With no apology or explanation the Democratically controlled Congress defiantly dared any and everyone to “bad mouth” the ACA, only to demonstrate no semblance of listening to concerns of the law or any explanations as to how it will help; even Obama did very little to advocate for it, until in 2011 the Republican House leadership started their attempt to repeal or alter its federal participation.

This act of defiance may accidentally help keep our economy from the brink of total collapse.

While Pelosi was making statements that increased the lack of public confidence of Congress, no one was actually trying to determine what the economic impact would be. Democrats made no effort to provide economic information; they made no effort to help Americans understand how the ACA works. In truth, the Democrats passed the law with no substantial information that could have helped everyone understand that the ACA can work; they crossed their fingers and hoped for the best. It was not until the 2010 midterm Congressional election did economists, insurance leaders and health care providers start taking a serious look at the law.

With little defense from Democrats of the ACA since the law was passed; it was assumed that most of what conservatives were saying about the law was true. Even now, Democrats can only say that it's the greatest thing since sliced bread. They have depended on outside analysts to prove them right; they have accepted what

the news media have been saying, good or bad. They have done this because, even before passage, they had no idea what the economic effect would be on the country or the government.

Almost no member of Congress has seen or expressed the full potential of the economic and employment growth possibilities over the next decade because they've been too entrenched in partisan politics. What most of them are not willing to say is that, for every year for the next five years could see 3 - 5 million new jobs created across every industry. Every year for the next ten years can also see \$1 – \$3 trillion going into the economy from business and personal spending. Every year for the next decade could see \$1 trillion, if not more, in revenues of all kinds from income taxes, sales taxes, excise taxes, import tariffs and property taxes for cities, counties, the states and the federal government, and do it without increasing tax rates on small businesses and individuals. And most importantly, large expatriot corporations will get to keep their trillions of dollars in tax payer funded welfare.

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Facts vs. Rhetoric (pt 1)

As previously stated, poor information, misinformation and blatant lies have driven the conversation about the ACA. We have selected the 10 most used lies about the ACA and we will debunk them.

The Lie: Obamacare will double the federal budget.

The Fact: The ACA will have a near zero dollar direct impact on the national debt and deficit.

Provided there are no intentional actions by Congress to sabotage the health care system; we will be showing how the law could actually help reduce the national debt and not add to the annual deficit. The ACA can increase federal and state revenues.

The Lie: The IRS will read your medical records.

The Fact: The IRS will not have access to your medical records.

Despite all of the fear mongering and blatant lies about the IRS having unfettered access to your personal medical records, the facts are contrary to statements made by many of our Congressional Representatives. The involvement of the IRS with the ACA is in the same manner as it has with Social Security and Medicare and right now, the IRS still can not get into your health records through Medicare.

The Lie: The government will decide what medical care you receive.

The Fact: No government agency will decide medical procedures or treatments for you or your family members.

No member of Congress, state legislatures or government agency can interfere with your medical procedures or treatments that are prescribed, deemed necessary or recommended by your physicians. Almost half of the 22,000 page regulation contains a list of medical treatments, procedures and preventive care measures, including medications that can not be denied for you or your family members by the government or insurance carriers. With the exception of three primary medical procedures that are excluded from the ACA, you can not be denied care by the government and/or insurance companies. The three procedural categories are; cosmetic surgery not deemed necessary to save life or limb, abortion for any reason or cause of pregnancy - even if the life of the mother is at risk and gender reassignment.

The Lie: A death panel of bureaucrats will decide your medical care.

The Fact: There are no "Death Panels".

The ACA actually eliminates the "death panels" of insurance companies by removing the lifetime cap for medical costs and forbidding the exclusion of preexisting medical conditions.

There is an independent advisory board. This board will not have any authority to decide on medical procedures or treatments for individuals. The advisory board will

not have access to your personal medical records either. This advisory board will work with insurance companies and health care providers for logistical and new health care procedures and technologies. They will help with fraud, waste and abuse issues if or when they arise. They will report to Congress annually with financial assessments, participation data and recommendations for changes if needed.

The Lie: This is government managed health care.

The Fact: ACA insurance is issued, managed and carried by insurance companies.

This is not a government managed health care plan. No state or federal government agency has any managerial considerations for this insurance program. You will have an insurance card issued by your insurer. The only differentiation from an ACA policy to an employer or private policy is the policy number; your card will not have great big red letters stamped on it that reads "ACA" or "GOVERNMENT POLICY"

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Facts vs. Rhetoric (pt 2)

The Lie: You don't get to keep your doctor.

The Fact: Most health care providers accept almost every insurance carrier.

Participating insurance companies have registered with your state insurance commissioner or equivalent and are authorized to issue policies in your state. Most insurance companies that were doing regular business in your state will continue to do so. Every insurance company in the United States will be participating in the ACA. To determine if your primary health care provider accepts the insurance company you have selected, contact them and confirm that they accept that carrier. If your health care provider does not accept the carrier you have chosen, most are receptive to adding carriers.

If you travel outside of your state, you will be able to use your insurance at most emergency and urgent care facilities in the United States, just like you can now with your current insurance.

If you have employer provided insurance as an employee benefit, you will get to keep that carrier because your health care providers are already taking that insurance.

The Lie: You will pay more than double for your premium.

The Fact: ACA premium rates can not exceed open market rates.

We have seen statements from some Congressional Representatives claiming that their constituents will pay as much as 200% of open market prices; this is an absolute false statement. Under the law, premiums for the ACA can not exceed privately obtainable insurance premium costs for the same policy. For subsidized policies, your cost is not to exceed 8% of your annual income.

The Lie: Small businesses are forced to fire employees or reduce their hours.

The Fact: Small businesses with less than 50 employees are not required to carry insurance for employees; that's 96% of all small businesses in the US.

Small business owners and their employees will be required to obtain the healthcare on their own.

Tax credits are available to small businesses that provide health care to their employees as a benefit, but certain criteria must be met.

If you are a small business owner with less than 50 employees and you fired employees based on blatantly false statements made by your Congressional Representatives, we recommend that you do 2 things; first, rehire those employees, and second, call your Representatives and demand an apology for intentionally providing you and your employees with false information.

The Lie: Your current employer provided health insurance can not be used.

The Fact: Your employer sponsored health care insurance is still accepted.

If your employer provides a qualifying health care plan, the same as the bronze plan as a minimum, as a benefit, that plan can still be used. If your employer sponsored health care insurance was accepted by your health care providers before the ACA became law, they will accept it now. Your employer can, and most have, apply for a waiver of coverage through the exchange.

Some employer provided health care plans left employees paying 50% - 80% in out of pocket costs, most of those plans also limited what care you could get. Most of them excluded catastrophic and long term care, had very low lifetime caps and had higher premium rates than some of the better plans provided by other employers.

For example; several years ago I worked for an employer that offered one such plan to its non-administrative staff. For a family policy, employees paid a little over \$500 per month; the policy covered 20% of care, had an annual cap of \$5,000, lifetime cap of \$25,000, excluded long term care for cancer, diabetes, muscular and neurological diseases and even some preventive care such as cancer screening. By contrast, administrative staff could get a policy for a family of four for \$300 per month; it covered 80% of care, had an annual cap of \$150,000, a lifetime cap of \$1.5 million, covered catastrophic and long term illnesses and covered 90% of all preventive care.

The Lie: 30 million Americans will still be without health insurance.

The Fact: They will have insurance.

They will be covered through Medicaid and other health care programs by the states.

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Fraud, Waste and Abuse

FWA is always a concern to tax payers, and rightfully so, these cost American tax payers several billion dollars every year. FWA concerns members of Congress when it suits them, usually during some budget crisis they themselves created or during election years. For the last 50 years or better, presidential administrations through their cabinet members have found more FWA in government than Congress.

We are addressing FWA because it has been a half-hearted concern by some members of Congress in an effort to demonize health care for all Americans.

FWA has three primary sources; Internal of governing agencies, external organizations and individuals.

Over half of all FWA cases against any government agency, whether it is your city or the federal government, are internal. For decades we have seen directors and managers commit fraud, waste tax payer dollars and abuse privileges. Every year, billions of dollars are unaccounted for by almost every government agency or program, almost all of which are not due to the final recipient of services.

Much like the Social Security Fund Board of Trustees, the ACA oversight board has an external membership. Since its inception, the SS board of Trustees has been able to reduce FWA against the SSA by billions of dollars every year. The ACA board working with insurance companies will have that same responsibility; prevent the government and users from FWA. Insurance companies are also responsible for FWA against themselves. Insurance companies have a 90% - 99% accuracy in finding and preventing FWA, internally and externally. With all honesty, if the directors and secretaries of government agencies really wanted to find FWA and save tax payers some money, they should hire an insurance company to find these.

External non-government organizations, both for profit and not for profit, that are involved in FWA instances against government agencies have more waste and abuse problems than actual fraud. As with government agencies, waste and abuse is prevalent in the private sector with regards to government money. Some of this is from overbidding on projects or services based on expected costs and use. Another

cause is poor financial oversight and management of funds. Although it's technically not fraud, many government contracts are intentionally overbid, this over pricing is not considered fraud because of the way the laws are written, they are instead considered waste and abuse. NGO's are always able to claim that their costs "unexpectedly" increased because their suppliers raised the prices. Most actual fraud cases are not found, and those that are, are rarely prosecuted with any real consequences.

Relative to government and non-government intentional FWA cases by individuals is insignificant, and most of these are because of incomplete or inaccurate information or the lack of communication. Most, but not all intentional fraud cases by individuals are in connection with some non-government organization in which they have a personal interest. This is not to say that we don't need to be concerned with FWA by individuals, it means that we shouldn't focus exclusively on them.

FWA has one cause - Congress.

Congress writes the laws; like it or not, Congress is in charge government money. When laws are written, loopholes, exceptions and exclusions are always written in as a paid request by corporate executives and lobbyists whose organizations and or personal interests would gain some financial benefit. These very laws are set up to encourage FWA by government and non-government organizations.

In the case of the ACA, a lot of members of Congress do not like the rules set in the law. Some of those rules we've pointed out include independent oversight, responsibility by individuals and companies. Independent oversight prevents FWA better than any other system Congress can devise. This oversight also prevents Congressional abuse of the system and its financial health; basically, Congress is not allowed to remove any of the funding for other non-related budgetary needs.

The "Use it or lose it" law.

This law, and its variants and amendments, tells agencies to use the budgeted funding or they won't get full funding for the next fiscal cycle. What this law also says is that, what is left over from the previous year is integrated into the next fiscal budget. This law was meant to prevent over spending by the government to keep the annual budget in check. Most managers are under the impression that if they don't spend all of the money, the next budget is automatically cut by that amount and under funding occurs.

So, for example, FY 2014 and 15, agency A requests \$1 billion for its budget for both years, but only spends \$850 million in 2014. That remaining \$150 million is supposed to be held over for the next budget cycle, but instead, management wastes all of it on t-shirts, coffee cups and conferences in Las Vegas. They did this because they thought that the 2015 budget would be reduced to \$850 million.

In reality the left over \$150 million would become part of the 2015 budget. That budget was set at \$1 billion, the \$150 million left over then becomes part of the \$1 billion dollars; congress only needs to fund \$850 million instead of the full amount.

The ACA is set up differently, all of the funding, including the penalties for it goes directly into the fund, unused funds are carried over to the next year and added and become a surplus or reduce a deficit if needed. ACA funds are also used for administrative costs, all of which are monitored by the Board of Trustees.

Lack of proper Congressional oversight and outside auditing.

All applicable laws specify that agencies must submit regular financial and management reports to Congress, the frequency of these can be daily to annually. Very few members of Congress and committees even bother to read these reports. Most agencies don't even have to sit in front of House or Senate committees until excessive budget changes are required. Most Congressional oversight hearings

regarding budget needs or improper use of funds result in no changes in agency mismanagement of tax dollars. In most cases, low level managers take the blame then get reassigned to other departments or agencies, very few will get fired. On very rare occasions a president will request that a director or senior manager resign, many are later selected to head departments in other agencies.

Most FWA cases discovered by Congress are on accident, usually while investigating the actions of political opponents or trying to weaken agencies by reducing funding.

Most federal and state departments, agencies and programs are self regulating with self auditing.

Most agencies have their own inspector general, this is a department within the agency, and it is expected to inspect its own. Most inspections are useless or fruitless. In most inspections, the inspector comes in, "Did you follow all of the rules, regulations and laws?" Why yes we did!" "All right then, you're good until the next inspection."

Slide 9 The IRS

In recent months we have seen an all out call to end the IRS by a specific faction of the Republican Party. The members of the "Tea Party" Republicans have been pushing to end the IRS because of their lack of understanding the purpose of the IRS and the Constitution. Most of these House and Senate Representatives who have aligned themselves with the "Tea Party" movement are not aware that their own Congressional pay and perks are paid with taxes collected in accordance with the Constitution by the IRS. They hate the IRS because their corporate owners don't want to pay taxes. They also hate the IRS because the agency has been tasked with ensuring that every U.S. citizen and business in the United States has enrolled in or are otherwise in compliance with the ACA.

House Representative Darrell Issa, who is a member of the "Tea Party" faction of Republicans, took over the Oversight and Government Reform Committee, and as reported by Businessweek in a June 2013 article, "vowing to use the power of his chairmanship to stage hundreds of hearings and hold the Obama administration to account." One of these staged hearings involves the IRS. In an effort to close down the IRS and end the ACA, Chairman Issa invented a scandal, and as reported by almost every major media outlet, "A spokesman for Russell George, Treasury's inspector general for tax administration, said they received a request from House Oversight Chairman Darrell Issa, R-Calif., "to narrowly focus on Tea Party organizations." In other words; "I don't care if the IRS was critical of more liberal groups than conservative groups, I just want to prove political corruption" and, according to Issa's own behavior *as directed by the president*, to silence political opponents.

Privacy act of 1974

Under this act, no federal agency is allowed to share exclusive information with other agencies or private organizations.

"As Amended [from the original act of 1972]

(b) Conditions of disclosure

No agency shall disclose any record which is contained in a system of records by any means of communication to any person, or to another agency, except pursuant to a written request by, or with the prior written consent of, the individual to whom the record pertains, unless disclosure of the record would be—"

There are some things that we must remain aware of though; the IRS already has our SS#, the IRS has acted as a verification source for people paying and receiving Social Security and Medicare. If the IRS was going to invade your privacy, it would have found every tax dodger in the country for the last 100 years, instead what has

been found is that the IRS is wasting tax dollars but not disclosing or invading tax payer information.

Verification of valid Social Security Numbers.

All tax filers have had their Social Security Number or Employer Identification Number verified through the IRS and the Social Security Administration. Almost every person who has attempted to use false or stolen Social Security Numbers has been caught and prosecuted or deported.

Only persons with a valid Social Security Number will be allowed to enroll in the ACA.

When we file our income tax return every year, our name and SS# is verified. That verification will also be used to verify your health care enrollment status. Enrollees must provide verification from their insurance carrier that they have enrolled. The IRS is not allowed to contact the insurance company and verify your enrollment, nor is the IRS allowed to provide your Social Security Number or other personal information to the insurance companies.

Verification of proper enrollment.

Insurance verification provided to the IRS will also ensure that you are enrolled in the plan you selected and that you are not over paying or under paying for the plan premium that your insurance company issued to you.

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100% Participation

Without exception, every U.S. citizen in every state will be required to participate in a qualified health care plan, even if their state has chosen not to participate in the exchange.

A qualifying health care plan must pay no less than 60% of covered health care costs; this is the same as a "Bronze" plan under the ACA.

States with full or shared exchanges are expected to use rebates to fund its Medicaid and other health care programs. Unused rebates are then returned to the ACA fund and used for future subsidies.

Through legislative actions, any state can change its exchange participation.

The States and Exchange Participation

Default to the Federal pool.

These states have actively opted out of their participation of the ACA through legislative action. They provide no support nor do they receive rebates and other direct financial benefits or liabilities of the ACA. All Medicaid and other state sponsored health care programs, assets and liabilities are the responsibility of these states with limited federal augmentation.

State exchange pool.

These states have integrated the ACA into their Medicaid and other health care programs and accept all benefits and liabilities. These states will partially fund Medicaid and other health care programs of their own with the ACA rebates.

Federal/State shared pool.

This is a hybrid in which the state and federal governments share proportionate benefits and liabilities. Any and all rebates as part of the proportionate share are used to fund Medicaid and health care programs.

No commitment.

These states have not made a commitment, they will default to the federal pool if their legislatures do not act or choose to not participate in an exchange.

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Market Health Care Insurance

Also known as private insurance, these individual and pool policies are subject to the same benefits and requirements of exchange policies. Insurers are required to give rebates, cover all medical procedures and treatments as directed in the ACA, there are no lifetime caps and preexisting medical conditions must be covered. Insurers can not deny, require alternate procedures or treatments or otherwise interfere with decisions made by your physician. All rebates are issued by the insurance companies, not state or federal governments.

Individual

Purchased through an agent.

Expensive; family of 4 will pay about \$2,500 per month with a \$455 deductible.

This is based on two adults and two children under the age of 21. Employment of either adult is not considered risky, and both are non-smokers.

Less than 25% of the population can afford individual policies.

Pools

Pools get lower premium rates because the overall costs and risks are shared among the participants. This is financially sound for the insurer and insured because everyone has different health care needs.

Obtained through employers, specialty groups and unions.

Less expensive per person.

Less than 25% of employed persons will have insurance as an employer sponsored benefit.

About 4% of small businesses will be required to cover their employees.

There are an estimated 210,000 small and large businesses throughout the US that will be required to provide health care insurance for their employees as a benefit.

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ACA Pool Insurance

Is set up like employer pools.

Small businesses with 25 employees or less and average annual gross wages per employee of \$50,000 or less that provide qualifying health care benefits will be given tax credits in addition to the rebates.

As with privately obtained insurance, all rebates are issued by the insurance companies, not state or federal governments.

Federal or state pool

Depending on how or if your state participates in the exchange will determine what pool you are in.

Purchased through state or federal exchanges.

May be un-subsidized, subsidized or referred to Medicaid.

Your household income relative to federal poverty guidelines and the number of household members will determine how your health care policy is paid for and how much you pay. Subsidized policies means that your state or the federal exchange pays for part of your premium, your cost will not exceed 8% of your annual household income. Because of required changes for Medicaid qualifications, more individuals and households may be eligible for Medicaid if your household has an annual income at or below specific multiples of the federal poverty guidelines for your household.

Is intended to cover about 50% of all Americans.

Initial participation estimates indicate that 75% of the population will be covered by private, employer sponsored or the state/federal exchanges, the remaining 25% will be covered by Medicare or Medicaid. As stated already, 25% of the population will have private insurance, leaving 50% utilizing the exchanges.

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ACA Premium

The Jones'

He's 35, she's 34 and they have 2 children under 21, household income of \$50,000. Market cost of insurance is about \$2,500, ACA cost is \$1,068, subsidized amount is \$787 and family cost is \$280 per month.

Mr. Jones works for a small business that is not required to provide insurance because there are less than 50 employees, so he does not have insurance available through his employer. Mrs. Jones is a self employed accountant for local small businesses and she works from home.

They have chosen the "Silver" plan, it best fits their budget and because they are relatively young, their healthcare needs are not as great as for people in their 40s or older.

Now, because of the law, they are eligible for subsidized health care. But even if they didn't have subsidized health care and still got the "group or pool" cost, they would still have about \$1,000 per month for discretionary spending. That spending is done in the local community. With the subsidized health care, the Jones' have \$1,720 extra per month for more discretionary spending which will in fact create more jobs and grow the economy.

If everyone who has health insurance through the exchange has more money available for discretionary spending, an additional \$75 billion will go into the economy every month, or about \$900 billion per year, which, contrary to political rhetoric, will grow the economy and create more jobs. It should be stated also, that the \$900 billion is based on 75 million households with a median household income of \$50,000 per year and the average family size of four. Based on all these calculations including the possible reduced spending and the fact that about 50% of all households will be receiving the subsidized healthcare, the economy could still see \$300 - \$450 billion per year from direct discretionary spending.

The Rebates

This scenario is based on average costs by a family with the financial structure and the number of members as already stated, however, not all households are the same and costs will vary from one household to another. It should not be expected that all families will have the same rebates. We were not able to find statistical data to create a more accurate breakdown, for that reason, average rebates should not be calculated to be more than \$150 - \$200 per year per household based on average non-catastrophic health care costs.

Annual premium breakdown from the full amount of \$12,816

ACA pays – \$9,444

The Jones' pay - \$3,456

Insurance company – 20%/ \$2,563

Available premium - \$10,253

The family has six urgent medical needs that have a total cost of \$8,000 for the year.

Because the ACA requires that preventive care be 100% covered by the plan, these urgent care visits are non-emergency problems such as a hang-nail, sprained finger, a couple cuts which required stitches, a bump on the head and a bloody nose, all of which are treated at the urgent care facility.

Premium balance to be rebated and split - \$2,253

ACA paid 74% - \$6,989 and is rebated \$720.00

As we have stated, this rebate may not be typical of all rebates, so using the lower estimated calculation would be prudent for all rebates not intended for the insured, and that these rebates are about 5 times that of the household rebate, or \$500 - \$1,000 per annual rebate, then those annual ACA rebates could amount to \$18.75 to \$37.5 billion per year.

For state and federal governments, those rebates are then used as grants to health care providers for expansion, increased or better Medicaid coverage and other health care programs. Employer rebates can also be used for expansions or as returns to investors and owners.

Jones' paid 26% - \$3,247 and they are rebated - \$252.00

Total household rebates could be \$3.5 - \$7.5 billion per year. In conjunction with possible income tax returns, this is more discretionary spending going into the economy from all households combined.

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ACA Catastrophic

We're still working with the Jones', only this time they have extra health care costs.

The family has six medical needs and two emergencies for a total cost of \$18,000 for the year.

One of the kids was playing at school, fell off the monkey bars and broke an arm. The school calls mom, and then the EMT's and little Johnny is off to the emergency room. A week later the Jones' get two bills, one from the EMT service and the other from the hospital. Both bills come to about \$4,000.

A month later, Mr. Jones is clearing leaves from the gutters, the ladder breaks and he falls 15' and breaks his collar bone and dislocates his shoulder. Mrs. Jones calls the EMT's and he's off to the emergency room. A week later they get two bills totaling \$6,000. Mr. Jones will now miss a month of work if not more, and this does not include days missed because of physical therapy if the doctor requires it.

Premium pays first, deductible pays second and then the plan pays.

The Jones' have the "Silver" plan, so they pay a 30% deductible.

From the \$18,000, the premium balance of \$2,236 is subtracted leaving \$15,764 less the 30% - \$4,729; the plan pays \$11,035.

As each medical need occurs, the premium balance is used and then the plan kicks in with out-of-pocket co-pays and the plan protection after the premium has been exhausted. The Jones' are able to pay for the urgent care visits when the bills come in and make payment arrangements with the health care providers for the two larger expenses. So, for the next 12 months, they are paying about \$400 a month to the hospital, this is within their budget and prevents them from having to skip other bills.

Without the ACA, the family would have ignored the six minor health care needs, three of which could have become something more serious. The two emergency room visits however would have cost the family \$10,000, and because Mr. Jones will miss work for about a month and he doesn't go to physical therapy because they can't afford it; his lost wages will also add to the financial stress created with the hospital bills.

At this point, the Jones' economic situation has been severely impacted. They have to pay all of their household and medical bills. They apply for medical charity with the hospital, but because they make too much money, they are denied. They sell one of the cars, max out their credit cards and have a couple yard sales, but it's still not enough to cover the \$10,000 needed to pay off the hospital. Using his first paycheck

after returning to work, because they make too much money for a chapter seven they file for a chapter 13 bankruptcy. Once that's paid off, the Jones' will now spend the next seven years rebuilding their credit.

Personal bankruptcy also costs tax payers. In 2012, 1.6 million Americans filed for bankruptcy, 60% of which were caused from medical costs or about 1 million households. A chapter 7 bankruptcy dismisses all qualifying debt, of the 1.6 million filed; almost 790,000 were chapter 7's which means about 474,000 as a result of medical costs. Because these are dismissed debts, they don't have to be paid back; the businesses that lost that money now file these as losses with their tax returns. For tax payers, that cost was a little more than \$8.65 billion in 2012 towards the national debt and deficit. This is not to say that bankruptcies will end, but they are likely to be reduced to the extent that a public and personal impact will be noticeable.

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Public Cost of Health Care

Emergency room services are used as primary health care for millions of Americans.

Anyone can go to an emergency room at time during the day or night and see that a significant number of people who are waiting for care have non-emergency medical problems. These non-emergencies, some of which could be taken care with a primary health care provider or at an urgent care facility, are using services and supplies that could be used for emergencies.

Almost half of all American households use the emergency rooms for their primary care because in most cases these families don't have health care insurance, which keeps them from having a primary health care provider. Most urgent care providers only accept insured or Medicare and Medicaid patients or full cash payment at the time of service, so someone with something as minor as a cut on their hand needing a few stitches ends up in the emergency room, for almost twice the cost of urgent care. That visit to the emergency room will not likely to get paid.

In 2011 hospitals lost \$41.1 billion in unpaid care.

January 4, 2013 the American Hospital Association reported "that U.S. hospitals provided \$41.1 billion in uncompensated care in 2011; which is nearly doubled since 2000. Those totals include "bad debt" (services for which hospitals anticipated but did not receive payment) and charity care (services for which hospitals neither received nor expected). It does not include Medicaid and Medicare underpayment."

Health care providers of all kinds will see an actual gain in income when broader health care coverage under the Affordable Care Act starts in 2014 and 2015. There will be two contributing factors to this; income realized from a decrease in unpaid care and an increase of consumers.

Other health care providers and services are losing about the same amount of revenues as hospitals; for a total loss of about \$82 billion for 2011.

Doctors in all specialties, independent labs and other medical support services experience unpaid care and services every year. With all of the information available, these losses account for almost half of all unpaid health care revenues. In addition to reclaiming these expenses through insurance, this is another \$41 billion not being written off in taxes. These financial resources can be used for expansion of facilities, equipment and staff; all three creating jobs.

CBO reports that the ACA will have a net loss, but it does not account for historical health care cost losses or other gains through taxes.

July 2012 the CBO and JCT estimated that the insurance coverage provisions of the ACA will have a net cost of \$1.168 trillion over the 11 year period of 2012–2022. This does not include the budgetary impact of other provisions of the ACA, which in

the aggregate reduce budget deficits. This is the cost that most members of Congress have focused on, they have refused to acknowledge all of the other projected and unaccounted for data that shows a net revenue gain for the federal and state treasuries.

Over the next 11 years, \$1.3 trillion could be saved.

By considering the fact that between 2000 and 2011 that unpaid health care doubled over that 11 year period, from 2012 to 2022, without the ACA this could mean at least \$164 billion for 2022. With increased losses from year to year, the aggregate of the annual losses could reach \$1.3 trillion by 2022. Those uncompensated health care costs are written off in tax returns every year adding to the debt and deficit. Ideally this is a 100% qualified participation, therefore this is a possible net tax revenue gain of about \$164 billion, which, in the terms of the total federal budget, amounts to a near zero dollar impact due to the ACA premium subsidies.

Real world economics and compliance always trumps predictions. In the case of the ACA, because of political and constituent defiance, we should not expect more than 75% - 80% participation. In which case, a slight negative impact of \$200 - \$300 billion loss over the same 11 years is realistic. This does not include any other gains such as personal and business tax revenues as a result of increased income and economic expansion.

Slide 16

Growth of Health Care

Increased health care use means that expansion by health care providers will become a necessity.

We estimated that 50 – 75 million uninsured and underinsured people will be added to the health care system. With an average of 100 square feet of health care needed for each person, we concluded that 5 – 7.5 billion square feet of health care facilities will need to be added nation wide. We also concluded that most of that would happen within the first 5 years and that construction would require at a minimum of 1.5 million employees per year for construction and supporting manufacturing and services. We also considered that for every 300 patients, one health care person will need employed, this added another 200,000 new health care workers per year. Insurance companies will need to add staffing, from general customer service to sales agents, this could be an additional 250,000 per year. Supporting businesses not directly related to health care will add additional employment opportunities.

We also took into consideration that, in an effort to placate to their corporate owners, a majority of our members of Congress will bring the inevitable passage of the TAFTA and TPP, both of those will cost us as much as 5 million manufacturing jobs per year.

With the increased need for healthcare, more innovations and technologies will be developed which create more jobs.

Medical technology innovation has all but stagnated in the last decade. In an effort to reduce expenses, insurance companies will likely start to work closer with health care providers, inventors and innovators to develop more efficient diagnostic and treatment equipment and procedures. These will also require more employees for such development and manufacturing as needed.

These new and increased employment opportunities will infuse more money into the economy creating more jobs.

Over the next 2 – 5 years for each year, 3 – 5 million permanent jobs can be created, that same number of temporary jobs lasting 3 – 12 months could be created. Over 80% of these jobs will be outside of the health care industry; such as manufacturing, construction, transportation and customer service. Most of these jobs are what are considered “high paying”, providing a per person income from \$30,000 per year for construction and manufacturing jobs to as much as \$250,000 per year

or more for specialized medical professionals. This has the potential of putting an additional \$40 – \$80 billion worth of discretionary spending into the US economy each year; if not more.

For each job, more tax revenues are then provided to state and federal treasuries.

With current national median household income at about \$50,000, there is a possibility for personal federal tax revenues of \$2 – \$10 billion per year and the same amount for business income taxes. With increased taxes year over year, after the first 3 years, by 2022 taxes to the federal treasury could reach \$100 billion or more.

Slide 17

Business & Household Income

There is no such thing as “trickle down economics”, money moves laterally or up; only poverty moves down. We know this because of history, every action and economic policy implemented as part of trickle down economics of the 1980’s contributed to the Great Recession of 2007. Further proof that trickle down economics don’t work, over 75% of Americans are still in that recession.

With a greater use of preventive health care, people will miss less work.

Small businesses and their employees lose about \$100 per day each when employees have personal or family member illnesses and miss work. Almost every small business employee loses 10 working days per year, which means that they lose \$1,000 a year in income. A small business with 10 employees can be losing \$12,000 per year in revenues; this is a combined total of \$24,000 in lost income. With 5.25 million small businesses in the US, this is a loss of \$126 billion not going into the economy every year.

Less financial stress and devastation as a result of catastrophic medical expenses.

Since the start of the 2007 recession, working middle income households have had to decide on paying for medical bills or paying mortgages and feeding their families. Most of them avoided health care, except for catastrophic care, because of their financial situation. Currently, economically stressed middle income households suffer more financially due to health care costs than any other economic class. They are not within the poverty level boundaries and are therefore not eligible for financial relief except through bankruptcy. The ACA will prevent future economic hardship on families due to medical care costs, even minor ones.

With reduced lost work days due to illness, employees have increased income.

This increased income allows families to pay their bills and reduce their personal debt. These families will be able to better afford the ACA premiums which could reduce their subsidy. Families will also be able to start saving and spending money. Increased income, through full time employment or pay raises, also means less public cost to the premiums and other social services.

With this more stabilized income, people are able to set financial goals for larger purchases.

With household income now open for spending on other consumer products and services, more money goes into the economy; for some households this could be as much as 40% - 60% (this is about \$5,000 – \$25,000 annually) more discretionary spending by the second year of the ACA implementation. With greater spending power per household, purchases such as appliances, cars, homes and vacations will help grow the economy.

Slide 18

All Businesses Grow

With the increased use of health care, low income neighborhoods can see better access.

Almost every major city in the country has large low income or poverty stricken areas. Most of the residents in these areas are also some of the most unhealthy in the country. They lack health care, food, transportation and jobs. These households will

have the ability to seek health care, which means they will need medical facilities in those neighborhoods. Many of the large health care providers will be more responsive to opening some small and medium sized facilities in those areas. With that expansion, other businesses may follow, at first to serve health care employees and then to serve that small community.

With those expansions, jobs are created for those people in these areas. As these jobs are created, more businesses of all kinds in many industries will be willing to meet the wants and needs of these neighborhood residents.

With more income, expansion for all businesses is possible.

As we've already pointed out, businesses of all sizes are able to grow because of increased profits from increased consumer buying. That growth could lead to more employees, new or additional business locations, new construction on current locations, upgrades to equipment and technologies or even pay raises for current employees; all of which mean more income to other businesses.

Increased consumer base.

As increased or saved personal and household incomes are realized and jobs have increased because health care and business growth increases, so does the consumer base. All businesses need customers, and when there are more customers, businesses of all sizes are given the opportunity to increase sales and service use.

Increased business income provides for increased tax revenues for the states and the federal government.

As business income increases because of growth, so will the taxes paid by these businesses and this will happen without increasing tax rates on businesses. With more new businesses, state and federal treasuries will gain more revenues. These revenues can be used to strengthen our infrastructure, educational system, public libraries, police and fire and other publicly funded services we enjoy as a civilized society.

Slide 19

The Lies Must End

When any member of Congress lies about the Affordable Care Act, tell them that they are lying.

Tell them this:

Let's just keep pretending that real people don't have real medical problems and convince them that they're invincible and will never ever have a medical need until they are ready for Medicare.

Real humans are dying because of untreated health problems and whole families are becoming economically destroyed because of the cost of health care; which makes this an issue of morality.

It is absolutely irresponsible and immoral for any law maker to tell people that their health care needs are not as important as partisan politics.

The lies will kill you and your neighbors.

By the end of this year, just over 250,000 Americans will die because they lack health care. Given the current population ratios, 2/3 of those deaths will be children and persons with disabilities. Tell your Congressional Representative that by denying real access to health care, they are killing children.

The lies will cause more economic devastation.

Of all the industries in the US economy, health care is the only one that never shrinks during bad economic times. The ACA will contribute more to the economy than any other legislative action by Congress.

Whole families will be saved from economic destruction due to health care costs.

The lies will increase the debt and deficits.

The ACA will create jobs, increase manufacturing, grow small businesses and create more middle income consumers which will bring more tax revenues to the states and the federal government.

The lies contradict the sacred tenants of faith.

Every person of faith and those who claim no religious affiliation have the morals they learn and teach. Many of those who profess a strong belief in their faith are the same ones who are willing to tell their fellow humans that they must die because they are not wealthy enough for health care. They are acting in complete and open defiance of their religion and should be chastised by their religious leaders.

END

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