

The story:

E-mail 'analysis' of health bill needs a check-up

By [Angie Drobnic Holan](#)

Published on Thursday, July 30th, 2009 at 5:08 p.m.

It may be the longest chain e-mail we've ever received. A page-by-page analysis of the House health care bill argues that reform will end the health care system as we know it: "Page 29: Admission: your health care will be rationed! ... Page 42: The 'Health Choices Commissioner' will decide health benefits for you. You will have no choice. ... Page 50: All non-US citizens, illegal or not, will be provided with free health care services."

Most of what the e-mail says is wrong. In fact, it's a clearinghouse of bad information circulating around the Web about proposed health care changes, so we thought it would be helpful to address a bunch of its claims.

To check this e-mail, we read the health care bill ourselves. Yes, it's over 1,000 pages long, but that's not as long as you might think: The document has large margins, so the text only takes up about one third of each page.

We also read the bill's legislative summary, a report published by the House that explains the bill in greater detail.

Finally, we consulted with Jennifer Tolbert, an independent health care analyst at the Kaiser Family Foundation, a nonpartisan foundation that studies health care reform. Tolbert has read and analyzed all the major health proposals, including those of the Republicans, and the foundation provides [point-by-point analyses](#) of the plans on its Web site.

We're hardened, battle-scarred fact-checkers, so false claims in e-mails don't really surprise us anymore. But we sent Tolbert a copy of the latest from our in-box, and she was none too pleased.

"It's awful," she said. "It's flat-out, blatant lies. It's unbelievable to me how they can claim to reference the legislation and then make claims that are blatantly false."

The claim that the bill provides free health care for illegal immigrants is particularly egregious, Tolbert said. "No one's provided with free health care. That's ridiculous," she said.

We looked for promises of free health care for immigrants and found nothing. So we've rated this claim [Pants on Fire!](#)

Another claim that's [Pants on Fire!](#) is the following: "Page 42: The 'Health Choices Commissioner' will decide health benefits for you. You will have no choice. None."

To explain this one, we will start with an explanation of the overall bill, which was unveiled July 14, 2009. The bill envisions that everyone will be required to have health insurance. People who get health insurance through work satisfy this requirement right off the bat.

People who don't get insurance through work or other groups will go to the health care exchange; it's designed to help people who have to go off on their own to buy health insurance, and for small businesses with few employees. The reason for the exchange is that the government wants to regulate insurers to make sure that health plans clearly explain what they offer, can't refuse people for pre-existing conditions, and must offer basic levels of service.

"This is designed to protect consumers from plans that have outrageous cost-sharing or really limited benefits," Tolbert said. "It's to ensure that they're actually getting coverage and not a junk policy."

A key point here is that employer-provided insurance is already subject to this kind of regulation. Employer-provided insurance has to meet certain requirements to win its tax-exempt status.

That's why, if you get insurance through work, you're not asked about pre-existing conditions, and you pay the same rate as all of your fellow co-workers.

The bill says that a Health Choices commissioner will run the exchange, and that he or she will make sure that insurers are offering basic benefits and adhering to the regulations. Individuals then choose their own plan from offerings on the exchange. The health commissioner does not "decide health benefits for you." To the extent that insurance plans have to meet basic requirements, those instructions are ultimately coming from Congress. The commissioner executes the rules.

One of the few claims from the e-mail that is truthful is the statement that "All private healthcare plans must conform to government rules to participate in a Healthcare Exchange." This was confirmed by our reading of the legislation, and Tolbert agreed with the statement as well. The legislation intends to more closely regulate health insurance, so it requires plans to follow the rules if they want to sell insurance through the exchange. We rated the statement [True](#) .

The e-mail includes almost 50 claims about the health care bill in its original form. (The bill is still in Congress, so it's expected to change as members negotiate for votes.) We've ruled on the first 15 claims below. We wanted to publish our initial findings promptly, and we're still deciding whether we should proceed with checking all the claims after finding so many problems with the first batch. We'll make our decision based on reader feedback, so e-mail us your thoughts at truthometer@politifact.com or message us via Twitter [@politifact](#) .

The e-mail begins, "Subject: A few highlights from the first 500 pages of the Healthcare bill in congress. Contact your Representatives and let them know how you feel about this. We, as a country, cannot afford another 1000 page bill to go through congress without being read. Another 500 pages to go. I have highlighted a few of the items that are down right unconstitutional." Below are the e-mail's assertions, followed by our findings.

• *Page 22: Mandates audits of all employers that self-insure!* False: Section 113 of the bill requires the Health Choices commissioner to conduct a study to make sure health reform does not

unintentionally create incentives for businesses to self-insure or create adverse selection in the risk pools of insured plans. There is no mandated audit.

- *Page 29: Admission: your health care will be rationed!* False: Section 122 outlines broad categories of benefits that must be included in an essential benefits package. It prohibits cost-sharing for preventive care and limits annual out-of-pocket spending to \$5,000 for an individual and \$10,000 for a family, indexed for inflation. It says nothing about rationing or limiting treatment.

- *Page 30: A government committee will decide what treatments and benefits you get (and, unlike an insurer, there will be no appeals process)* Barely True: Section 123 establishes a Health Benefits Advisory Committee that makes recommendations on what types of health insurance coverage will be defined as basic, enhanced or premium. The committee will be chaired by the surgeon general, with members appointed by the president, the comptroller general, and representatives of federal agencies. This committee makes recommendations on insurance regulations, so in that sense it does set standards for benefits. But it does not make decisions about treatments for individuals.

- *Page 42: The "Health Choices Commissioner" will decide health benefits for you. You will have no choice. None.* Pants on Fire!: Section 142 outlines the duties of the Health Choices commissioner, who is charged with regulating insurers. The commissioner should seek insurers to offer different types of insurance, including basic, enhanced and premium. Individuals will be able to choose among competing insurers who are regulated via the exchange.

- *Page 50: All non-US citizens, illegal or not, will be provided with free health care services.* Pants on Fire! Section 152 includes a generic nondiscrimination clause, which says insurers may not discriminate with regard to "personal characteristics extraneous to the provision of high quality health care or related services." It says nothing about "non-US citizens" or immigrants, legal or otherwise. In fact, the legislation specifically states that undocumented aliens will not be eligible for credits to help them buy health insurance, in Section 246 on page 143.

- *Page 58: Every person will be issued a National ID Healthcard.* Barely True: Section 163 sets out goals for electronic health records. It says one goal should be real-time confirmation of which services a person qualifies for and how much they will have to pay. That could be achieved by machine-readable beneficiary cards, according to the legislative language. But the legislation does not require the cards.

- *Page 59: The federal government will have direct, real-time access to all individual bank accounts for electronic funds transfer.* Barely True: Section 163 sets out goals for electronic health records. One of the goals is to include features that "enable electronic funds transfers, in order to allow automated reconciliation" between payment and billing. The legislative summary says the intent in the section is "to adopt standards for typical transactions" between insurance companies and health care providers. The legislation generically describes typical electronic banking transactions and does not outline any

special access privileges.

- *Page 65: Taxpayers will subsidize all union retiree and community organizer health plans (read: SEIU, UAW and ACORN) . Pants on Fire!* Section 164 creates a temporary reinsurance program to help employers or employee associations pay for coverage for workers ages 55 to 64. It does not mention labor unions or community organizer groups, though presumably they could qualify for subsidies like any other employee association that previously offered health insurance. The section's point, however, is to offer subsidies to employer-based insurance programs, not unions or community organizers.

- *Page 72: All private healthcare plans must conform to government rules to participate in a Healthcare Exchange.* True. Private health care plans must conform to government rules to participate in the exchange, and this page begins an explanation of exchange rules. However, the requirement that insurance companies must conform to is also presented much earlier in the bill. We spotted an earlier reference on page 15, Section 101.

- *Page 84: All private healthcare plans must participate in the Healthcare Exchange (i.e., total government control of private plans) . Mostly True.* Section 203 sets rules saying that plans must offer basic plans before they can offer plans with extra benefits. These extra benefits are defined as enhanced plans and premium plans. (The unstated assumption here is that enhanced and premium plans will be more profitable for the insurance companies.) But this isn't the page number that requires health plans to participate in the exchange. Technically speaking, private insurance plans are not required to participate. Rather, only insurance sold on the exchange will satisfy the mandate that people have health insurance. In effect, private health plans that want to sell to individuals will have to sell through the exchange, under the terms of the bill.

- *Page 91: Government mandates linguistic infrastructure for services; translation: illegal aliens.* Half True. Section 204 outlines more regulations for health insurance plans in the exchange. One of the requirements is that they provide "culturally and linguistically appropriate communication and health services." Another part of the bill mentions that this includes "effective methods for communicating in plain language." There is no mention of citizenship status.

- *Page 95: The Government will pay ACORN and Americorps to sign up individuals for Government-run Health Care plan.* False. Section 205 says the Health Choices commissioner is charged with publicizing the options on the health care exchange. The legislation says the commissioner "may work with other appropriate entities to facilitate the dissemination of information." The bill does not mention ACORN or Americorps. The bill also says that the commissioner must publicize the "Exchange-participating health benefits plan options," which would include private insurance plans.

- *Page 102: Those eligible for Medicaid will be automatically enrolled: you have no choice in the matter.* False. This page describes people who would qualify for Medicaid, a government insurance program for people with very low incomes. It says that individuals will be automatically enrolled in

Medicaid only if they have "not elected to enroll in an Exchange-participating health benefits plan." So the auto-enrollment only happens if they have not chosen another plan.

- *Page 124: No company can sue the government for price-fixing. No "judicial review" is permitted against the government monopoly. Put simply, private insurers will be crushed.* Barely True. Section 223 discusses how the government will pay doctors under the public option health insurance; they will pay 5 percent more than Medicare pays. It's true that this section does not set out any sort of judicial review, but it specifically states that health care providers do not have to accept patients under the public option. The bill also says that the Health Choices commissioner has the authority "to correct for payments that are excessive or deficient," taking into account "amounts paid for similar health care providers and services under other Exchange-participating health benefits plans." There may be a broader case to be made that the government can outcompete private insurers through the public option, but this section of the plan doesn't have to do with lawsuits or judicial review.

- *Page 127: The AMA sold doctors out: the government will set wages.* Barely True. Section 225 discusses payments for physicians who choose to accept the public option insurance. Again, there may be a broader case to be made that the government can outcompete private insurers through the public option, but this section of the plan only applies to payments to doctors for patients who are part of the public option. The government does not set wages for doctors because doctors are free to decline to see the patients.

Finally, a few words about the e-mail's origins. It appears that someone out there based it on the work of Peter Fleckenstein, who publishes commentary on the Twitter messaging service under the name [Fleckman](#) . (Some of the e-mails we receive credit him, but many do not.) Fleckenstein strongly opposes the Democratic health plan and labels most of his posts [#tcot](#) , which stands for "top conservatives on Twitter." Fleckenstein has also posted the analysis at his blog, [Common Sense from a Common Man](#) . Many of the e-mails we received have made changes to Fleckenstein's original tweets, and the e-mail we've checked here has made changes as well.

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Sources:

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Speaker of the House Web site, [Section-by-Section Analysis of HR 3200](#) , July 14, 2009

U.S. House of Representatives Energy and Commerce Committee, [House Democrats Introduce Bill to Provide Quality, Affordable Health Care for All Americans](#) , July 14, 2009

Interview with Jennifer Tolbert of the Kaiser Family Foundation

Researchers: [Angie Drobic Holan](#)

Names in this story: [Chain e-mail](#)

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