The Affordable Care Act (ACA) and the Future of Medicare:
The Gains, The Limits, The Ongoing Work[1]

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I. WHERE ARE WE NOW?

Legislative victory: national health reform at last! March 23, 2010
The Patient Protection and Affordable Care Act: **ACA**.[3]

Unprecedented yet *barely* won
Unprecedented historically, after a century of defeat.
Unprecedented effort, inside and outside Congress.
Unprecedented gains, despite limits
Yet very narrow victories.[4]

And the fight must continue
To defend: against the Republican effort to repeal, roll back, and replace;
To implement: an ongoing policy and political effort;
To improve: coverage, affordability, cost control

II. WHY IS THIS FIGHT SO URGENT? WHAT HAPPENS IF WE LOSE?

To Access: **We cannot tolerate the needless suffering of uninsured Americans;**
How many are uninsured? **46.3m** in 2008; **50.7m** in 2009[5]
Without reform: 54 to 66 million in 2019.[6]
Who are they?
Working families: **77%**
Low-income: **40%** < FPL ($44, 000/year), **90%** < 400% FPL ($88,000/year).[7]
Disproportionately people of color: % without insurance
White: **13%**; black: **20%**; Hispanic: **32%**[8]
Devastating impacts:
Less care, later care, higher mortality rates: **45,000 excess deaths**[9]
More bankruptcies**:** 62% due to medical costs, 80% insured at outset.[10]

To Costs: **Our health care spending is not sustainable**
Uncontrolled increases: as % GDP: (Gross Domestic Product)
12.3% in 1990; **16.2%** in 2007, **17.3%** in 2009, ***19.3%** in 2019.*[11]
Outpacing inflation, far outpacing wages: 1999-2008
Premiums: **131%;** Wages: **38%;** Inflation: **28%.**[12]
Average family premium 2010: $13,770.[13]
Threatening Medicare bankruptcy: Hospital Trust Fund exhausted by **2017**[14]
Dominating the deficit: Medicare/Medicaid = 90% of entitlement increases, 2009-2080
Increases in health spending per beneficiary dominate entitlement growth.[15]

To Quality: **We spend more and get less than other "advanced" countries**
Spending more: % GDP, 2005: **15.3%** vs **9.1%** (OECD average)[16]
Getting less: Fewer doctors, shorter hospital stays, etc: [17]
Worse outcomes: e.g. higher infant mortality: US ranks **29th** [18]

III. THE AFFORDABLE CARE ACT: WHAT HAVE WE GAINED?

A national legislative commitment to the fundamental principles of health care justice:

- Everyone deserves access to comprehensive and affordable health coverage.
- The share of income that people spend on health care must be limited.
- Health insurance must cover sick people, not discriminate against them.
- Everyone must contribute to financing.

New institutions and requirements to ensure access, cost containment, and improved quality:

Most phased in between now and 2014; see timelines for implementation.[19]

TO PROVIDE ACCESS:
to comprehensive, affordable coverage for nearly all residents, fairly financed

(1) Nearly-universal coverage:

All legal residents[20] will have access to one of three sources of coverage

1/ Employer coverage: *2014*

Which must meet minimum standards of coverage and affordability.[21]

2/ Public coverage: *2014*

Medicaid eligibility increased to 133% of poverty (FPL) for all adults.
(133% FPL = $14,404 individual; = $29,327, family of four).

3/ New insurance Exchanges: *2014*

To offer regulated plans to everyone without alternative coverage
and to small employers: up to 100 employees;
expansion to larger employers permitted.

Members of Congress must purchase coverage through the Exchanges.

Impact on Coverage:

New coverage for at least 32 million people. 2019: 94% covered

16m will be in Medicaid; 24m will be in Exchanges. [22]

Major expansion of Medicaid for low-income adults and people of color:

% uninsured below 133% FPL: 48%

% who are low income adults: **37%;** 69% are childless;[23]

% who are people of color: **60%**[24]

Insurance reforms will prohibit denials and discrimination in coverage[25]

- Guaranteed coverage and renewal: no denials
- No exclusion of pre-existing conditions. For children, *2010.*[26]
- No rescissions (dropping coverage when a person becomes ill). *2010*
- No consideration of health status or gender in setting premiums.
- Right to appeal insurance decisions to deny coverage or care. *2010*
- New HHS website offering unprecedented transparency regarding insurer practices. including prices, cost-sharing, rate of denials, health status rating. *2010*[27]

Some immediate expansions:

For adult children: can remain on parents' coverage until age 26;
The medically uninsured: $5 billion for temporary high-risk pool; average premiums

(2) Guaranteed benefits: A national benefits standard which requires:

Comprehensive services, including hospital, outpatient, Rx, lab, emergency, maternity & newborn, pediatric (including oral & vision), mental health & substance abuse, rehab, prevention & wellness & chronic disease management

Limits on cost-sharing (co-pays, deductibles, etc): Out of pocket maximums:
$5950 for individuals; $11,900 for families.
But very few reach these limits, as health care spending is highly concentrated on the very sickest: 80% goes to the top 20%[28].
No cost-sharing for preventive care

Elimination of annual and lifetime caps on coverage[29]
Lifetime: 2010. (Over 100m have policies with lifetime limits[30]
Annual: phased in. The demand for waivers has highlighted the problem of limited benefit plans, e.g McDonalds: $2000 coverage for $730 premium.[31]

(3) Affordable coverage

Through subsidies based on income to purchase plans in the Exchanges:
*For people **up to 400% of poverty*****: ($88,000** family of four, $44,000 individual) to limit the percent of income spent on premiums and out of pocket costs, ranging from **2%** to **9.5%** of income.
Includes employees with unaffordable employer coverage:
If employee share of premium exceeds 9.5% of income.

Impact on affordability:

For those in the individual market: huge savings
Individual premium at 133% poverty: from **$3712** to **$432**[32]

For those below 200% poverty: 2/3 of the uninsured[33]
Premiums: **6.3% income** ($2772 for $44,000)
Out Of Pocket maximum: $1983 for individuals, $3967 for families.

See the premium calculator on the Kaiser Family Foundation website for premium subsidies at other income levels[34]

Through insurance regulation to limit premiums

- *Limits on administrative overhead and profits*: minimum MLR. *2011*
  The "Medical Loss Ratio" (MLR) refers to the percentage of premium revenue spent on claims—i.e. on health care. The new law requires an MLR of 85% for large group plans and 80% for individual and small group plans, with rebates if MLR is not met. Medical spending can include both clinical services and activities to improve the quality of care.[35]

- *Annual review of unreasonable rate increases*, *possible exclusion from Exchanges.2011*
  HHS has defined "unreasonable" as 10%: increases of more than 10% must be publicly disclosed and justified; states must do thorough actuarial analysis. States are required to recommend possible exclusion from Exchange based on unjustified premium increases.[36]

(4) Fair financing

Employers:

- *If employers do not provide coverage* and any of their employees qualify for subsidies in the new Exchanges, they must pay **$2000 per employee for all of their employees**.
- *If employers do provide coverage but at least one employee qualifies for subsidies* in the Exchange, they must pay the lesser of $3000 for each employee receiving a subsidy or $2000 per employee for all their employees.

(The first 30 employees are not counted in these totals)

Small business exemptions/support:

Businesses with **fewer than 50** employees are exempt.
(estimated to include 25% of employees[37])

Tax credits are available for businesses with fewer than 25 employees and less than $50,000 annual wages. *2010, phased in.*

Individuals: required to obtain coverage unless exceeds 8% income[38]

New taxes, including:

Medicare: New taxes for high-income earners (individuals: $200,000; couples: $250,000) on payroll and unearned income.[39]

Tax on high-cost insurance plans: *2018*
40% tax on benefits above $10,200 for singles, $27,500 for families.

TO CONTAIN COST INCREASES AND IMPROVE QUALITY

(1) Limiting prices

In Medicare (which often sets trend for private insurers)

- *Reduced rate of increase* in Medicare payment rates;
- *Reduced subsidies* to Medicare Advantage plans: private plans—HMOs, PPOs
- *Independent Payment Advisory Board*: to develop measures to enforce a cap on Medicare spending if it exceeds specified targets. Cost-containment measures cannot reduce benefits or increase premiums. Congress must approve unless it provides alternative measures to achieve comparable savings.[40]

For all insurance plans: **new regulations to limit premiums** (described above, p.3)

(2) Payment and delivery system reforms to improve quality and cost-effectiveness: [41]

Increased research and innovation: increased comparative effectiveness research, new Center for Medicare and Medicaid Innovation.

Payment and delivery reforms focusing on
Improved primary care: increased payment for primary care, medical homes;
Increased coordination: accountable care organizations, bundled payment;
Increased value for payment: value-based purchasing for hospitals.

HHS authority to expand successful innovations through administrative action

Impacts on costs:

Reduction in the federal deficit: By 2019: $124 Billion; by 2029: about $1.2 Trillion[42]
Reduction in annual rate of Medicare increase: From 6.8% to 5.5%[43]
Reduction in annual rate of spending increase: Possibly 1-1.5% per year.[44]

MEDICARE IMPROVEMENTS: BENEFITS FOR SENIORS

Benefits: Elimination of donut hole: gap in coverage for prescription drugs. [45]
- $250 rebate in 2010; 50% discount in 2011.
- $700 typical savings for in 2011; possibly $1800.[46]

No copays for preventive services; annual wellness visits,
For Medicare Advantage (MA) enrollees, limits on cost-sharing.

Affordability: Reduced subsidies by non-MA enrollees of Medicare Advantage premiums;
Projected savings of $3500 per beneficiary over next 10 years.[47]

Quality: New quality improvement initiatives; new CMS Center for Innovation
Incentives for better care, better outcomes.

Fiscal solvency: Extended for at least 12 years, until 2029.[48]

IV. THE CONTINUING FIGHT

(1) To Defend the legislation: from efforts to repeal, roll back, defund, replace

Why the battle? what are the underlying issues?

Republican approach to health care: "consumer-directed health care." [49]
Market distortions caused by government policies are the underlying problem.
Putting consumers in charge—making them price conscious—
in a free market—deregulated—will lead to competition
which will reduce prices and improve quality.

Republican plans: e.g. McCain's campaign plan, Representative Ryan's Roadmap.
Eliminate market distortions: the employer coverage tax exemption,
- insurance mandates requiring costly benefit packages;
- Allow interstate sale of insurance, vs regulated by states.

Provide vouchers for purchase of insurance, with limited value,
- to everyone, including Medicare recipients.
- Allow consumers to choose the plan that best fits their needs.

Limiting growth in value of vouchers will reduce spending growth.

Liberal critique
Health care market is unavoidably distorted
- by "asymmetry of information:" individuals vs providers;
- by asymmetries of power: individuals vs insurers, providers
- Change requires systemic policy, not isolated individuals.

Health care spending is disproportionately concentrated on the sickest:
- 80% spending to 20% sickest.
- Price consciousness for 80% majority can affect only 20% spending
  - and at great cost and potential harm to health;
- Price consciousness for 20% sickest can hardly be imagined.

Note re: Deficit Reduction Proposals: Ryan-Rivlin proposal re: Medicare[50]
In addition to vouchers, proposes increased cost-sharing: 20% coinsurance on A/B up to $6000;
A huge burden for Medicare recipients: 47% have income < 2X FPL;
- they spend 21-23% income on out-of-pocket medical expenses[51]

Republican plans regarding the ACA: repeal, defund, roll back, replace

Repeal: HR 2, To repeal the job-killing health care law and health care-related provisions in the Health Care and Education Reconciliation Act of 2010.

Rationale: Obamacare: A Budget-Busting Job-Killing Health Care Law.[52]

Job losses due to requiring employers to offer coverage "deemed acceptable by the government" and burdensome mandates on small business;

Deficit increases: Will add $701B to deficit: CBO "opinion" is based on double-counting Medicare savings, omitting the "doc fix," and "gimmicks."

Response: CBO preliminary analysis, repeal will add $145B to deficit.[53]

My understanding:

Medicare savings are part of unified budget, not double-counted.

"Doc fix," not in ACA, thus CBO assumes cuts specified by existing law.

Most discretionary spending is mandated by existing law.

Roll back? Independent Payment Advisory Board: "rationing." ETC

Replace with? In addition to Ryan's Roadmap, The Republican Pledge to America[54]

Malpractice reform.

Deregulation: individuals can "choose a lower cost option that best meets their needs."

Strengthen doctor-patient relationship: "We will repeal President Obama's government takeover of health care and replace it with common-sense reforms focused on strengthening the doctor-patient relationship."

Ensure access; expand state high-risk pools, prohibit rescissions and denying coverage to someone with prior coverage because of health status, eliminate spending caps, incentivize states to develop programs to lower premiums and reduce the uninsured, prohibit taxpayer funding of abortion.

What does the public think? What's the meaning of the 2010 elections?

Angry protests and increased threats of violence

Rage against health reform beginning with Tea Party protests in August 2009.

Increasing threats of violence against members of Congress: 3X increase in 2009[55]

Threats of violence and racial slurs during March 2010 voting on ACA.[56]

Acts and encouragement of violence targeting members who voted for ACA.[57]

Enormous financing for organizations to mobilize this new movement, e.g.:[58]

FreedomWorks, headed by former Congressman Dick Armey, and Matt Kibbe;[59] posted Rick Santelli's call for a Chicago tea party hours after it occurred[60]

Crossroads GPS, headed by Karl Rove[61]

Americans for Prosperity, headed by David Koch and Richard Fink[62]

The 2010 elections

Unprecedented outside, anonymous funding: vast majority to Republicans.

Effective: according to one analysis, about 3/ 4 of GOP House gains came where independent expenditures (from Rove and the Chamber of Commerce) provided the advantage[63]

Republican landslide: 87 new Republicans, with about 40 from Tea Party

What does the public really think? What do the polls show?[64]

- continued split between support and opposition;
- some in opposition want a stronger law, suggesting majority support for reform;
- support increases as understanding increases;
- even those wanting repeal support specific provisions of the law.

(2) To Implement Effectively

Major stakeholder challenges

Insurers: rate review, MLR requirements, etc
Raising rates despite unprecedented profits.[65]
Employers: required contributions, new benefits standard
Providers: expect challenges to reimbursement reductions, practice standards

Tremendous momentum in HHS:

See http://www.healthcare.gov/news/ for the huge list of press releases announcing major activities:

Major responsibilities shift to the states

Establish high-risk pools, rate review procedures, Exchanges
Implement new regulations.

Great progress in California: e.g. new legislation[66]

AB 1602 (Perez) / SB 900 (Alquist & Steinberg) : A Health Insurance Exchange.
Improves on ACA by empowering the Exchange to negotiate prices
SB 1163 (Leno): Requires both posting premium increases on website and giving 60 day notice to consumers and the public;
gives regulators greater opportunity to review rate increases as ACA requires.
AB 2244 (Feuer): Affordability for children with pre-existing conditions:
Improves on ACA by limiting what insurers can charge.

(3) To improve the legislation

Coverage:

Allowing undocumented immigrants to purchase coverage in the Exchanges,
Providing coverage for legal immigrants without a 5-year waiting period,
Allowing reproductive choice.
Increasing affordability through more generous subsidies.

Financing:

Requiring all employers to contribute to the costs of financing

Cost containment:

Establishing a public option, to offer coverage more cost-effectively.
Establishing a national Exchange, allowing greater leverage in relation to insurance practices.
Allowing stronger price negotiation

ETC…

Please don't hesitate to email me with questions/comments or to request an electronic copy of this handout to allow easier access to the sources: dleveen@sfsu.edu

[1] An electronic copy of this handout is available on the EQUAL website: http://www.centerforpolicyanalysis.org/. The EQUAL Health Network is a campaign for Equitable, Quality, Universal, Affordable health care.

[2] I My passion for this effort stems from teaching health policy at San Francisco State University for more than 25 years. Studying the failure of past reform efforts has made me excruciatingly aware of the enormous difficulty of passing anything close to comprehensive health reform in the US.

[3] The new law is now referred to as the Affordable Care Act (ACA) and actually includes two laws: The Patient Protection and Affordable Care Act (PL 111-148) as enacted on March 23, 2010, and amended by the Health Care and Education Affordability Reconciliation Act of 2010 (PL 111-152) as enacted on March 2010. The first was the Senate bill, the second included the amendments sought by the House as a condition of approving the Senate bill There is an abundance of excellent information about the law; the most useful sources include:

- The HHS website: http://www.healthcare.gov. Especially the "Understanding the Law" section.
- The Senate Democratic Policy Committee website, which contains all of the legislative documents, summaries of key components, and updates on implementation. http://dpc.senate.gov/dpcissue-sen_health_care_bill.cfm
- The Kaiser Family Foundation Health Reform Source: http://healthreform.kff.org
- Families USA Health Reform Central: http://www.familiesusa.org/health-reform-central/
- The Commonwealth Fund: http://www.commonwealthfund.org/Health-Reform.aspx
- The Center for Budget and Policy Priorities: http://www.cbpp.org
- The UC Berkeley Labor Center: http://laborcenter.berkeley.edu/healthpolicy/index.shtml
- The EQUAL Health Network, http://www.centerforpolicyanalysis.org/
- All of the CBO analyses are on the CBO website: http://www.cbo.gov

[4] The votes: PPACA: Senate, 60-39; House: 219-212. Reconciliation bill: House: 220-211; Senate: 56-43

[5] DeNavas-Walt et al, US Census Bureau, Income, Poverty and Health Insurance Coverage in the United States: 20009. http://www.census.gov/prod/2010pubs/p60-238.pdf

[6] CBO projects 54 million uninsured in 2019 without the ACA. The Urban Institute projected a high of 66 million if unemployment doesn't improve substantially and health costs continue to rise. See John Holahan et al, Health Reform: The Cost of Failure. Urban Institute and Robert Wood Johnson Foundation. May 21, 2009. p.2. http://www.rwjf.org/files/research/costoffailurefinal.pdf

[7] Kaiser Family Foundation (KFF), The Uninsured and the Difference Health Insurance Makes. Fact Sheet, September 2010. http://www.kff.org/uninsured/upload/1420-12.pdf.

[8] KFF, Health reform and Communities of Color: Implications for Racial and Ethnic Disparities. September 2010. http://www.kff.org/healthreform/upload/8016-02.pdf.

[9] Wilper, Andrew et al, Health Insurance and Mortality in US Adults. American Journal of Public Health, December 2009, 99 (12) 1-7. http://www.pnhp.org/excessdeaths/health-insurance-and-mortality-in-US-adults.pdf

[10] Himmelstein, David, et al, Medical Bankruptcy in the United States: 2007: Results of a National Study. American Journal of Medicine, May 2009. http://www.pnhp.org/new_bankruptcy_study/Bankruptcy-2009.pdf

[11] Truffer et al, Health spending projections Through 2019: The Recession's Impact Continues, Health Affairs 29(3), March 2010, 522-529.

[12] KFF, News Release re: 2009 Employer Benefits Survey, September 15, 2009. http://www.kff.org/insurance/ehbs091509nr.cfm

[13] KFF, 2010 Employer Benefits Survey. September 2010. http://ehbs.kff.org/pdf/2010/8086.pdf

[14] Social Security and Medicare Boards of Trustees, Summary of 2010 Reports. August 5, 2010 http://www.ssa.gov/oact/TRSUM/index.html

[15] CBO, Long Term Budget Outlook, June 2009. http://www.cbo.gov/ftpdocs/102xx/doc10297/SummaryforWeb_LTBO.pdf

[16] OECD: The Organization for Economic Cooperation and Development has 34 members. http://www.oecd.org

[17] Anderson, Gerard, et al, Health Spending in OECD Countries in 2004: An Update. Health Affairs 26(5) September/October 2007, p. 1484-5.

[18] Harris, Gardiner. Infant Deaths Fall in U.S., Though Rate is Still High. New York Times, 10/16/10. CDC 2004 data

[19] All of the major sources listed above provide extremely useful timelines for implementation. The KFF website provides a one of the most useful: http://healthreform.kff.org/timeline.aspx

[20] "Everyone" except undocumented immigrants. The original House bill allowed them to purchase coverage through the new exchange; this is one of the major improvements needed in the ACA.

[21] If are benefits less than 60% actuarial value or premiums more than 9.5% income, the employee is eligible for the Exchange. *Actuarial value* refers to the share of covered services paid for by the insurance plan, on average across a given population. 60% is lower than most employer plans but higher than plans on the individual market, which are generally around 55%.

[22] CBO letter to Nancy Pelosi, March 20, 2010. Table 4. About 8m people will lose or drop their employer coverage; thus of the 40m in Medicaid and the Exchanges, 32m are gaining new coverage. http://www.cbo.gov/ftpdocs/113xx/doc11379/Manager'sAmendmenttoReconciliationProposal.pdf

[23] KFF, Expanding Medicaid under Health Reform: A Look at Adults at or below 133% of Poverty. April 2010. http://www.kff.org/healthreform/upload/8052-02.pdf .

[24] KFF, Health reform and Communities of Color: op cit.

[25] The actual application of all of these insurance regulations is extremely complex and varies in scope and timing. The UC Berkeley Labor Center brief, Summary of Provisions Affecting Employer-Sponsored Insurance (August 2010) provides an excellent summary: http://laborcenter.berkeley.edu/healthpolicy/ppaca10.pdf, p.3

[26] Pear, Robert. Insurers May Raise Fees for Ill Youth. New York Times 10/14/10.

[27] HHS News Release, October 1, 2010, Affordable Care Act gives consumers new tools, makes health insurance market more transparent. http://www.hhs.gov/news/press/2010pres/10/20101001b.html

[28] See Zuvekas, Samuel H and Joel W Cohen, Prescription Drugs and the Changing Concentration of Health Care Expenditures. Health Affairs 26(1) January/February 2007, 249-257. The UC Berkeley Center for Labor Studies estimates that only 8-12% of individuals and 9-16% of California families eligible for subsidies in the Exchange would reach their out of pocket limits. See Ken Jacobs et al, How Would Health Care Reforms Change the Spending of California Families Without an Employer Plan? UC Berkeley Center for Labor Research and Education. December 2009. p.7 http://laborcenter.berkeley.edu/healthpolicy/affordability_analysis09.pdf

[29] Lifetime caps are eliminated immediately. Annual caps will be phased out, starting with a cap of $750,000 in 2010.

[30] HHS, HealthReform.Gov, Fact Sheet: The Affordable Care Act's New Patient's Bill of Rights. June 22, 2010.

[31] For example, so-called "mini-med plans" offered by McDonalds: offering $2000 coverage for $730 premium. Leonhardt, David. Health Care's Uneven Road to a New Era. New York Times, 10/6/10.

[32] See Jacobs et al, The President's Health Reform Proposal: Impact on Access and Affordability in California. UC Berkeley Labor Center, February 2010. The final bill included the subsidy levels proposed by the President. http://laborcenter.berkeley.edu/healthcare/presidents_health_reform10.pdf

[33] KFF, The Uninsured and the Difference Health Insurance Makes. Fact Sheet, September 2009. http://www.kff.org/uninsured/upload/1420-11-2.pdf . The 2010 Fact sheet reports that 78% of the uninsured have incomes below 250% poverty.

[34] Kaiser Family Foundation Premium Calculator: http://healthreform.kff.org/SubsidyCalculator.aspx (The numbers in my handout are based on 2010 cost estimates; the current version of the premium calculator—updated 6/22/10— uses 2014 cost estimates.)

[35] Insurers fought hard for the broadest possible definition of medical care and quality improvements in the HHS regulation; many observers believe the proposed regulation resisted many of the insurers' suggestions.

[36] PPACA Sec 1003; HealthCare.gov. Newsroom: shining a Light on Health Insurance Rate Increases. December 21, 2010. http://www.healthcare.gov/news/factsheets/ratereview.html

[37] Robert Pear, In the health care fight, a political focus on jobs, with no simple answers. NYT 1/16/11. Citing an estimate from the Congressional Research Service.

[38] The penalty for noncompliance is the greater of a flat dollar amount or a % of taxable income, phased in from 1% or $95 in 2014, $325 or 2% in 2015, to 2.5% or $695 in 2016 and subsequent years. Income below the filing threshold is exempted. HR 4872 Sec 1002.

[39] The payroll tax will increase by .9% on earnings over these thresholds. The tax on unearned income is 2.9%.

[40] Paul Van de Water, Health Reform Essential for Reducing Deficit and Slowing Health Care Costs. Center for Budget and Policy Priorities, February 3, 2010. http://www.cbpp.org/files/2-3-10health.pdf p.5. The Board is also charged to make binding recommendations to reduce overall health spending if it exceeds the growth in Medicare spending. Sec 10320, SBS p.67.

[41] Payment and delivery system reforms offer tremendous potential for savings. See, for example, Dartmouth Atlas White Paper, An Agenda for Change. December 2008 http://www.dartmouthatlas.org/topics/agenda_for_change.pdf, and many Commonwealth Fund analyses.

[42] CBO, Letter to Nancy Pelosi, March 20, 2010. p.2, p. 12. The longer term reduction is estimated at between ¼ % and ½ % of GDP, which has been translated to $1.3 Tr.

[43] KFF, Medicare Primer, April 2010. p.17. http://www.kff.org/medicare/upload/7615-03.pdf

[44] David Cutler summarizes the CBO's difficulties in estimating savings from innovations (they lack sufficient data from past experience) and reviews estimates made by other experts including the Commonwealth Fund, and concludes that it

is reasonable to assume savings of 1 to 1.5% per year. See Repealing Health Care is a Job Killer. Center for American Progress, January 2011. http://www.americanprogress.org/issues/2011/01/pdf/economics_of_repeal.pdf

[45] The "donut hole" refers to the gap in Medicare drug coverage which occurs after individuals have spent a specific amount on drugs: at that point, they are responsible for the full costs of drug, up to a "catastrophic level" at which point coverage resumes. This year, the coverage gap begins at $2830 and ends at $4550.

[46] From Kaiser Health News, I can't find the exact reference.

[47] HHS, New Release, New report shows Affordable Care Act savings of $3500 for Medicare beneficiaries. 11/4/10. http://www.hhs.gov/news/press/2010pres/11/20101104a.html

[48] HHS Press Release, August 5, 2010. http://www.hhs.gov/news/press/2010pres/08/20100805d.html

[49] While there are many antecedents, Representative Paul Ryan's Roadmap for America's Future clearly presents this approach. 1/27/10. http://www.roadmap.republicans.budget.house.gov/UploadedFiles/Roadmap2Final2.pdf

[50] CBO Analysis of Ryan-Rivlin Proposal, 11/17/10. http://www.cbo.gov/ftpdocs/119xx/doc11966/11-17-Rivlin-Ryan_Preliminary_Analysis.pdf

[51] KFF, Altman, Pulling it together: The People behind the entitlement debate. 11/11/2010 http://www.kff.org/pullingittogether/People-Behind-The-Entitlement-Debate.cfm

[52] Obamacare: A Budget-Busting Job-Killing Law. Jan 6 2011. http://speaker.gov/UploadedFiles/ObamaCareReport.pdf Signed by the Republican leaders of the key health care committees.

[53] CBO, letter to Speaker John Boehner, Preliminary Analysis of HR 2, Repeal of the Job-Killing Health Care Law Act. Jan 6 2011 http://www.cbo.gov/ftpdocs/120xx/doc12040/01-06-PPACA_Repeal.pdf.

[54] See The Republican 'Pledge' on Health Care. November 2, 2010. http://www.kaiserhealthnews.org/stories/2010/september/27/text-republican-health-care-document.aspx?referrer=search

[55] New York Times Editorial, Bloodshed and Invective in Arizona. 1/10/11. Citing spring 2010 report from Capitol security officials. Paul Krugman cites a Department of Homeland Security internal report in April 2009 which also warned that right-wing extremism was increasing, with an increasing potential for violence. Climate of Hate, NYT, 1/10/11

[56] See Carolyn Lochhead, Health care overhaul OKd, San Francisco Chronicle, 3/22/10, and Carl Hulse, Past Strife and Jeers, Another Long March in the Name of Change, NYT 3/22/10. Republican Congressmen were described as "egging on" the crowd of protestors, displaying their own "Kill the bill" signs.

[57] Frank Rich provides a good summary: No One Listened to Gabrielle Giffords. NYT 1/16/11. David Barstow describes the "Patriot" strand of the Tea Party movement in his NYT article, Lighting a Fuse for Rebellion, 2/16/10

[58] Jane Mayer's article "Covert Operations," in the August 30, 2010 issue of the New Yorker, provides a detailed examination of the emergence of the so-called "Kochtopus"—the network of organizations funded by the Koch brothers to support their radical libertarian views of government, which include think tanks like the Cato Institute as well as advocacy organizations . http://www.newyorker.com/reporting/2010/08/30/100830fa_fact_mayer.

[59] http://www.freedomworks.org/

[60] See Kate Zernike, Shaping Tea Party Passion into Campaign Force. NYT 8/26/10.

[61] http://www.crossroadsgps.org/

[62] http://www.americansforprosperity.org/national-site

[63] John Nichols and Robert McChesney, The Money & Media Election Complex. The Nation, 11/29/10. http://www.thenation.com/article/156391/money-media-election-complex. More specifically, they cite Public Citizen data showing that in 53 competitive House districts where Rove and allies vastly outspent Democrats with "independent" spending, 51 Republicans won.

[64] This summary is based on the Kaiser Family Foundation's monthly "tracking" reports, which provide more in-depth coverage of public opinion. http://www.kff.org/kaiserpolls/trackingpoll.cfm lists all of the polls. A January "Data note" shows support for individual provisions even among those wanting repeal. http://www.kff.org/healthreform/upload/8131.pdf. Several polls have shown majority support for either the ACA or a more liberal approach, e.g. Robert Schlesinger, Majority Either Like Healthcare Law or Want It More Liberal. US News and World Report, December 29, 2010. http://www.usnews.com/opinion/blogs/robert-schlesinger/2010/12/29/majority-either-like-healthcare-law-or-want-it-more-liberal

[65] Health Care for America Now, June 2010. Insurance Industry Inflates Rates While Falsely Blaming New Health Care law. Profits Grew in First Quarter as Insurers Made Billions on Unjustified Premium Increases. http://hcfan.3cdn.net/d8f62f1fc66d8e0224_q6m6bnff1.pdf

[66] See the most recent Health Access update: Health Reform 9-Month Status Report: Californians Take Advantage of New Options & Benefits, More Patient Protections Go Into Effect. http://www.health-access.org/files/advocating/ACA%209%20Month%20CA%20Status%20Report%2012-19-10.pdf