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Basic Questions, Elusive Answers on Health Law

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WASHINGTON — As the fight over health care returned to the House floor on Tuesday, the debate could largely be stripped down to four questions that are relatively simple to ask, if not to answer:

Will the health care law, approved last year by Democrats with no Republican support, increase or reduce future federal deficits?

Will the law lead to the elimination of jobs by overburdened employers as Republicans assert, or will it create jobs as Democrats maintain?

Will the law raise or lower the cost of medical care for individuals and families, employers, and state and federal governments?

And, will the law achieve President Obama's goal of providing coverage to more than 30 million uninsured Americans?

Given the complexity of the issues, none of these questions can yet be answered definitively.

More certain is the fate of the Republicans' bill to repeal the law, which contains 24 lines of legislative text and 38 lines of the names of the lawmakers sponsoring it. While House Republicans will vote to

approve it on Wednesday, the Democratic-controlled Senate is highly unlikely to act on it.

Still, the assertions from the two sides highlight their radically different views about the proper role of government and market forces in the health care system. It is a policy fight that is likely to rage for the next two years in Congress and to figure prominently in the 2012 presidential campaign.

As floor debate on the repeal measure opened on Tuesday, Representative [Paul Ryan](#), Republican of Wisconsin and chairman of the Budget Committee, who is a respected voice on fiscal issues, declared that the health care law would “accelerate our country’s path toward bankruptcy.”

Mr. Ryan expressed one of the Republicans’ main complaints: that Democrats and independent Congressional budget analysts have underestimated the costs of the law, which Republicans say will ultimately add hundreds of billions of dollars to future federal deficits.

The nonpartisan [Congressional Budget Office](#) disagrees.

In its official analysis, the budget office estimated that the cost of new benefits in the health care law would be more than offset by revenues from new taxes and by cuts in projected [Medicare](#) spending, reducing future deficits. Repealing the law, the budget office has predicted, would add \$230 billion to federal deficits from 2012 to 2021.

Republicans dispute that, saying the cost will be far higher than expected.

“We believe that it is an unsustainable, open-ended entitlement that could very well bankrupt this country and the states,” the House majority leader, Representative [Eric Cantor](#), Republican of Virginia, said at a news conference on Tuesday.

The budget office has said that its estimates are based on the most likely outcomes, and that the eventual cost of the bill is equally likely to be higher or lower.

The office has also said that lawmakers may find it difficult to follow through with some aspects of the law, particularly cuts in projected Medicare spending. If the cuts do not take hold, the cost of the law

could soar.

Democrats, meanwhile, say the law could save even more money than expected because the budget office does not give them credit for likely improvements in the delivery of medical services that could slow the growth in costs for individuals, businesses and the federal and state governments.

Weighing into the debate, Mr. Obama said Tuesday that Americans were already enjoying many benefits of the new law, and that he would not let Republicans dismantle it.

“I’m willing and eager to work with both Democrats and Republicans to improve the Affordable Care Act,” Mr. Obama said in a statement. “But we can’t go backward.”

The White House and Congressional Democrats said the law would create more than 300,000 jobs, by slowing the growth of health costs so employers would have more to spend on wages and hiring. In addition, they said, the law provides tax credits to help many small businesses buy insurance for their employees.

By contrast, Representative Sam Graves, Republican of Missouri and chairman of the House Committee on Small Business, said the law “could cost our economy 1.6 million jobs, one million of which could come from small businesses.”

Many economists say the effects on jobs are likely to be modest. Most large companies already provide health benefits to employees. And many small businesses will be exempt from penalties if they fail to do so.

While employers often pay premiums for their employees, economists say, the cost of health benefits is, over time, generally passed on to workers, through reductions in wages or other compensation. But employers cannot reduce the wages of people earning the minimum wage.

Thus, the [Congressional Budget Office](#) says, the new law “will probably cause some employers to respond by hiring fewer low-wage workers,” or by using more part-time and seasonal workers.

But Democrats say that if the law provides coverage to more than 30 million currently uninsured people, as intended, it will increase demand for medical services, thus creating new job opportunities in the health care industry.

Representative Debbie Wasserman Schultz, Democrat of Florida, said, “There is not a single area of health care” that will experience job losses as a result of the law.

Republicans have emphasized the jobs issue, even naming their bill the “Repealing the Job-Killing Health Care Law Act.” But they have also pressed an argument that the law does not do much to slow the growth of health spending.

The law includes many provisions intended to restrain medical costs, which have long grown faster than general inflation.

For example, it would trim Medicare payment rates for hospitals and many other health care providers; create an independent advisory board to recommend further savings in Medicare; and encourage doctors and hospitals to coordinate care, eliminate duplicative tests and reduce the readmission of patients to hospitals.

But experts say they are not sure how effective these provisions will be, and note that countries around the globe have struggled to control medical costs.

Republicans say the law is geared less to limiting costs than to extending coverage to the uninsured. The budget office has estimated that by 2019 the law will have reduced the number of uninsured Americans by 32 million.

But even with a provision in the law requiring that most Americans obtain insurance, it is possible that the law will not cover as many people as expected. Some supporters of the law have questioned whether federal subsidies will be adequate to make insurance affordable for lower- and middle-income Americans. And while the law includes a broad expansion of [Medicaid](#) eligibility, many people now

eligible do not enroll.

In addition, the continuing political controversy around the law has created even more uncertainty about how people will respond to it.



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