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The Federal Healthcare Takeover of 2010

The 906-page healthcare bill, signed into law on March 23, 2010, by President Obama, has many hidden provisions. You can find the healthcare bill (Patient Protection and Affordable Care Act, [H.R. 3590](#)) and the reconciliation bill that amended it (Health Care and Education Reconciliation Act, [H.R. 4872](#)) at <http://thomas.gov> (enter hr 3590 or hr 4872 in the search box). The Sections listed below are sections of the healthcare bill unless otherwise noted.

- Nothing in these bills prevents federal funds from being used to pay for abortions. An Executive Order to the contrary does not override any provisions in the bill, making the Executive Order a political ploy with no real meaning or value.

State Exchanges: Individuals cannot opt out of abortion coverage. If the plan that fits the needs of an individual or family covers abortion, the individual must pay into an account which will pay for the abortions of others who have the same plan. Although it is technically true that there are two separate accounts for plans that cover abortions (one for the abortion coverage and one for other coverage), the federal government is subsidizing the account for other coverage, and because there is no opt-out provision, the federal government is, in effect, subsidizing a plan that provides abortion coverage.

Community Health Centers: \$9.5 billion was appropriated to Community Health Centers. The bill does not prohibit the centers from using funds to pay for abortions (Reconciliation Act Sec. 2303).

Insurance Advertising: Insurance companies are forbidden from advertising which plans cover abortions, making it harder for people who oppose abortion to avoid subscribing to a plan that covers it (Sec. 1303, Rules Relating to Notice).

- Federal funding could be used to subsidize assisted suicide by “withholding or withdrawing of nutrition or hydration” or use of medication at levels that increase the risk of death. (Sec. 1553).
- There is a mandate, and if you don’t participate, you will be required to pay a penalty between the amounts of \$695 and \$2,085 (Sec. 1501, Sec. 5000A).
- The IRS will be the agency that enforces penalties (Sec. 1502). The IRS is hiring an estimated 16,500 additional agents for auditing and enforcement.
- Effective December 31, 2012, employment taxes will increase (Sec. 9015).

- Healthcare choices will be limited and your healthcare will be rationed. When the government mentions providing your healthcare based on cost-effectiveness, this means bureaucrats will decide what procedures are too costly based on your life expectancy (Sec. 3502).
- Your medications could be monitored and managed under a special program if you take four or more medications “including over-the-counter medications and dietary supplements,” take “high risk medications,” have two or more chronic diseases or have “other factors” that may create medication problems. (Sec. 935).
- There will be state exchanges, a step toward Obama’s end goal of a single-payer system, the type of system that individuals from Canada and the United Kingdom travel to the United States to avoid (Sec. 1323).
- After people become dependent on federal programs, the government makes cuts in order to redirect spending. According to the CBO’s letter to Pelosi, dated March 18, 2010, this year there will be \$100 million in cuts to hospitals, nursing homes, and hospice, and between 2010 and 2019, \$520 billion in Medicare cuts. Most of these cuts are to Medicare Advantage, which is restructured (Sec. 3201). These cuts are despite a 3.8% Medicare tax on unearned income, such as the sale of a home, townhome, or income from rental properties.
- You may no longer use your Health Savings Account to purchase over-the-counter medications, but only for prescribed drugs and insulin (Sec. 9003). Health Savings Accounts will be subject to a higher tax rate, which increases from the current rate of 10% to a new rate of 20% (Sec. 9004). These new regulations are estimated to cost individuals and families \$1.4 billion.
- Flexible Spending Accounts, which are paid for by your own pretax dollars saved to pay for medical and dependent care expenses, such as child care or adult day care for seniors or persons with special needs, will be capped at \$2,500 (Sec. 9005). This change especially burdens families with dependants who require Braille books and magazines, hearing aids, guide dogs, or even speech therapy. These new regulations are estimated to cost special needs families approximately \$13 billion in new taxes.
- Employers with more than 50 full-time employees must pay taxes and fees associated with insuring their employees (Sec. 1513, 4980H, 9001, and 4980I). Many small businesses have indicated they may downsize to have less than 50 full-time employees. Likewise, many large employers have indicated that the new costs associated with the employer mandates will be crippling and may result in massive layoffs and relocation overseas.
- Health insurance providers (Sec. 10905), medical device manufacturers (Sec. 10904), and tanning services (Sec. 10907) are experiencing an immediate tax increase to pay for this big bill. Your industry or the services you provide may be the next one targeted for a tax increase.
- A “Regular Corps” and a “Ready Reserve Corps” are established, with officers appointed by the President. The “Ready Reserve Corp” officers are subject to a call to “active duty” by the Surgeon General. These officers make up what is essentially an army of the President to be funded with \$13 million each year for the next four years. Their duties include service for “national emergencies and public health crises,” for “deployment to respond to public health

emergencies, both foreign and domestic,” and for “assignment in isolated, hardship, and medically underserved communities ... to improve access to health services.” (Sec. 5210).

- The government is taking over the student loan industry by phasing out the loan programs familiar to most recent college graduates, including Stafford loans, unsubsidized Stafford loans, and Plus loans and terminating the use of federal payments to reduce student interest costs. These changes directly affect the ability of students to receive student loans, as well as the interest amount and payment plans that students will be subjected to upon graduation (Reconciliation Sec. 2201-2213).
- The Congressional Budget Office estimated that by 2016, the cost of the average healthcare premium will have increased 10-13%. The healthcare bill comes at a high cost to many Americans. The government cannot give anyone a benefit without taking money from someone else.
- Beginning January 1, 2013, people who pay out-of-pocket for medical expenses will no longer be able to deduct as much as those costs from taxes, which, in effect, raises taxes by \$15.2 billion over ten years (Sec. 9013).

“We the People” have the opportunity and duty to ensure that Congress is representing our interests according to good governmental principles.

To have your voice heard about healthcare, you can find the contact information for your Senators and Representatives at the following links:

[Contact Information for Your Senator](#) is available at Senate.gov.

[Contact Information for Your Representative](#) is available at House.gov.

For more information about Liberty Counsel’s federal lawsuit against the new healthcare law, go to www.LC.org and click the link to [Healthcare Reform](#).

Dated: April 13, 2010