



McCAIN'S HEALTH CARE PROPOSAL Will Increase Costs and Reduce Benefits

John McCain's health care proposal is similar to President Bush's failed plan. Like Bush's, McCain's plan undermines existing employer-based health care and pushes workers into the private market to fight big insurance companies on their own. It will reduce benefits, increase costs and leave many with no health care at all.

A New Tax on Working Families. McCain wants to shift the burden from employers to workers. He will make employer-provided health benefits part of taxable income, essentially creating a new tax for working families.

Increases Costs to Workers. The modest tax credit McCain wants to give people to cover his new tax would cover less than half the average health premium, leaving workers to pick up the difference. Also, by promoting high-deductible Health Savings Account (HSA) plans, which provide fewer benefits at higher costs, he will make the high costs of individual insurance even worse.

Leaves Workers at the Mercy of Big Insurance Companies. McCain's efforts to "eliminate the bias" toward employer-based health care will encourage employers to stop offering health care, pushing workers into an unregulated private insurance market to fend

for themselves. Big insurance companies will be free to weed out people with health care needs, charge excessive premiums and limit benefits.

Makes Health Care Harder to Get. Pushing workers into the private health care market and promoting HSAs will encourage insurance companies to attract only the healthiest people, driving costs up overall. Insurance companies can decide to refuse to cover people with pre-existing conditions, such as cancer survivors. Retirees will have a particularly hard time getting health care.

Lowers the Quality of Available Health Care Plans. Many states have laws regulating health care quality by requiring basic services to be included in health care coverage. McCain's proposal would circumvent these laws, resulting in lower quality coverage without consumer protections.

Sources: The Commonwealth Fund, *Envisioning the Future*, 1/08; *Los Angeles Times*, 11/20/07; Center on Budget and Policy Priorities (CBPP), *Administration's Proposed Tax Deduction for Health Insurance Seriously Flawed*, 7/31/07; CBPP, *GAO Study Confirms Health Savings Accounts Primarily Benefit High-Income Individuals*, 9/20/06; CBPP, *A Brief Overview of the*

Major Flaws with Health Savings Accounts, 4/5/06; The Commonwealth Fund, *Paying More for Less*, 6/05; McCain's campaign website, accessed 2/21/08; Health 08.org (Kaiser Family Foundation) Presidential Candidate Forum: John McCain, 10/31/07; Kaiser Family Foundation and HRET, *Employer Health Benefits 2007 Annual Survey*.

Don't Let McCain UNDERMINE Our Health Care