

# AFFORDABLE CARE ACT

## HEALTH CARE LAW REDUCES THE DEFICIT & CONTAINS COSTS

### REDUCING THE DEFICIT

- **Reduces the deficit by \$210 billion over next 10 years and by more than \$1 trillion over next 20 years.** In its latest estimates, the nonpartisan Congressional Budget Office estimates that the health care law will reduce the deficit by a total of \$210 billion over the next 10 years. It also estimates that the law will reduce the deficit by “around one-half percent of GDP” over the following 10 years. Economists estimate that “one-half percent of GDP” over those 10 years would amount to more than \$1 trillion.

### CONTAINING HEALTH CARE COSTS

The health care law contains many cost-containment measures. Following are a few:

- **Works to eliminate unnecessary tests and procedures by providing delivery system reform.** The law creates incentives for doctors and hospitals to provide efficient, high-quality care, by moving to payment systems that reward the value of care, rather than the volume of care.
- **Creates incentives to reduce preventable hospital re-admissions.** The law limits the payments hospitals can get from Medicare or Medicaid if a patient is re-admitted to the hospital for what is considered a preventable reason.
- **Creates more head-to-head competition among insurers, putting a downward pressure on premiums.** The law creates state Health Insurance Exchanges, or competitive marketplaces, where insurers will compete on the basis of price and quality, not on the basis of medical underwriting of sicker patients.
- **Cracks down on waste, fraud and abuse.** The law provides a number of new tools for cracking down on waste and fraud in Medicare and Medicaid, including a new screening process for providers in Medicare and Medicaid, new compliance requirements, and enhanced criminal penalties.