

By Ceci Connolly

If the Republican-controlled Congress enacted President Bush's entire health care agenda, as many as 10 million people who lack health insurance would be covered at a cost of \$102 billion over the next decade, according to his campaign aides.

But when the Bush-Cheney team was asked to provide documentation, the hard data fell far short of the claims, a gap supported by several independent analyses.

Projections by the Congressional Budget Office, the Treasury Department, academics and the campaign's Web site suggest that under the best circumstances, Bush's plans for health care would extend coverage to no more than 6 million people over the next decade and possibly as few as 2 million.

"There's little reason to expect that there would be any reduction in the overall numbers of Americans without health insurance," Brookings Institution health policy expert Henry J. Aaron said. "We're swimming against a rather swift current in our efforts to reduce the number of uninsured, and the power of President Bush's proposals to move against that current is, it seems to me, very, very limited."

In his bid for a second term, Bush is reprising much of the health care agenda he ran on in 2000, including tax credits for individuals who purchase insurance, and the formation of new, largely unregulated purchasing pools for small businesses called association health plans.

His Democratic challenger, Sen. John F. Kerry (Mass.), has released a health care agenda that is more ambitious and more expensive, with plans to expand government health programs, offer tax credits similar to Bush's and reimburse businesses for some of their most costly catastrophic cases.

Forecasting the cost and impact of policy proposals is always complicated, and both presidential campaigns try to spin the numbers to their advantage. Kerry, for example, estimates his health care proposals would cover 27 million people at a 10-year cost of \$653 billion. But that assumes \$300 billion in "savings" that the Bush team says might prove elusive. Without the savings, the cost of the Kerry package jumps to nearly \$1 trillion.

Health experts inside and out of the administration say many of the assertions Bush makes about his first-term health care record and his health proposals for a second term are exaggerated, incomplete or contrary to widely accepted analyses.

On the campaign trail, the president trumpets last year's enactment of a Medicare prescription drug package as his signature health achievement. In monetary terms, the new policy -- estimated to cost \$564 billion over 10 years -- goes far beyond the \$158 billion proposal candidate Bush ran on in 2000.

"When we came to office, too many older Americans could not afford prescription drugs. Medicare didn't pay for them," he said last month. "Leaders in both political parties had promised prescription drug coverage for years. We got it done. More than 4 million seniors have signed up for drug discount cards that provide real savings."

Left unsaid is that 2.9 million of them had no choice; they were enrolled automatically. And full implementation of the drug benefits will not occur until 2006.

Since Bush took office, the number of Americans without health insurance has climbed by 4 million, to nearly 44 million. On its Web site and at news briefings, the Bush campaign says that through its actions overseeing Medicaid and the Children's Health Insurance Program, the administration has "expanded eligibility to more than 2.6 million people."

The statement gives the impression "they have extended coverage to 2.6 million more, and that is not really true," said Diane Rowland, executive director of the Kaiser Commission on Medicaid and the Uninsured. "In reality, only 200,000 of them got coverage" because of Bush administration efforts.

Megan Hauck, deputy policy director for health care of the Bush campaign, did not have figures but said she thought the Kaiser data were "awfully low."

Total enrollment in the two government health programs did rise during Bush's tenure -- by about 7.5 million. But for the vast majority, coverage was required by law, not the result of any policy change.

"Part of the reason more people were covered is the economy got so bad that people lost income," Rowland said. "There were more low-income people under Bush than previously, so they became eligible for public programs."

Although Hauck generally touts the campaign's projection that the Bush proposals would expand coverage to 10 million Americans, she said it could be as few as 6 million. Of the 10 million, half will use the proposed \$1,000 tax credit (\$3,000 for families) to buy insurance. The estimate comes from congressional testimony by a Treasury Department official who speculated that the 10-year, \$70 billion proposal could result in coverage for 4 million to 5 million people.

One year earlier, the Bush budget set aside \$89 billion for the same credit, claiming it would cover 4 million. Analysts say it is impossible to see how spending \$20 billion less, at a time when premiums are much higher, could achieve the same level of coverage.

If the tax credit were passed, Jonathan Gruber, an economist at the Massachusetts Institute of Technology, predicts some businesses will drop health insurance. If just 1 percent of people who currently receive coverage from an employer bought individual insurance instead, the Bush policy would result in 1.8 million newly insured, according to Gruber's analysis.

The next-largest element in the Bush agenda is a proposal to allow small businesses to band together to purchase insurance through new association health plans. Hauck said 2 million people would be covered if this were enacted. The figure came from a January 2000 CBO report in which the nonpartisan agency said 10,000 to 2 million people might join association health plans.

But in its July 2003 analysis of the Republican bill, the CBO concluded that 600,000 Americans would likely buy into the pools, at a cost of \$254 million. Even the Bush campaign Web site reports that "600,000 would be newly insured," or 1.4 million fewer than Hauck's tally. And a recent study by Mercer Risk, Finance and Insurance Consulting found the proposal could result in a decline of 1 million insured, because small-business insurance premiums would likely rise.

Finally, the Bush campaign projects that 3 million people would be covered through new health savings accounts, which allow people to save money tax-free for out-of-pocket medical expenses. The new accounts, purchased in combination with high-deductible, catastrophic insurance, were created as part of last year's Medicare prescription drug package.

Hauck said an "internal estimate" by the campaign indicates the provision would extend insurance to 1.1 million people, though she could not provide supporting material. The Joint Committee on Taxation estimated the proposal would cost \$6.7 billion, but officials there declined to say how many people that figure was based on.

MIT's Gruber and Paul Ginsburg, president of the Center for Studying Health System Change, said the impact would be minimal, because some people likely to purchase the new accounts are currently insured. Democrats say it is unfair for the Bush campaign to include the provision at all, since it is current law, not a proposal.

Bush wants to expand use of health savings accounts by also making the premiums tax-deductible, a proposal Gruber said would increase the number of uninsured by 350,000.

But Hauck said the campaign assumes that making the premiums deductible will result in coverage for an additional 1.9 million people. That figure is based on an article by Dan Perrin and Richard Nadler at the HSA Coalition, a group that has worked for the past decade to pass medical savings account legislation, according to its Web site.

The coalition includes conservative members such as the Christian Coalition, the 60 Plus Association and the Small Business Survival Committee.