

**FACT VS. FICTION ON THE HOUSE REPUBLICANS'
"INDEPENDENT ANALYSIS" OF THE
TRI-COMMITTEE DISCUSSION DRAFT**

--The so-called "independent" analysis was prepared by John McCain's campaign health care modeler. He is far from an independent, non-partisan broker. HSI Network was paid \$50,000 by the McCain campaign to produce models of the Obama and McCain plans.

--HSI principal admits in the NY Times that they make judgments about assumptions that change the answer and paint them as "black and white" when they are far from the truth. HSI principal and former Bush economist, on October 21, 2008: *"Every candidate should say that these numbers were produced by my experts and they're my best estimates but they're not exact," said Roger D. Feldman, a health economist at the University of Minnesota who directed the HSI studies.*

--HSI also admits that estimates can vary widely because of the assumptions factored into formulas.

--In fact, HSI's model of the Obama campaign plan predicted a Federal cost more than 4 times than that predicted by the independent Tax Policy Center and the Lewin Group.

--Likewise, HSI's cost estimate of the Senate Health, Education, Labor & Pensions (HELP) bill was 4 times greater than the estimate of the non-partisan Congressional Budget Office (CBO).

--This suggests a pattern of inflated estimates relative to reality. Who is right? HSI as the lone outlier, or the overwhelming evidence from all of the other models, including results from analysts who are not paid by those pursuing political agendas?

--Relative to the Tri-Committee draft, the HSI analysis ignores clear policies in the proposal and is based on assumptions that are inconsistent with the discussion draft:

- The HSI analysis assumes substantial erosion of private coverage that rests on two likely false assumptions:
 - (1) that private plans sit idly by and fail to offer products at lower prices to compete with the public option for business; and
 - (2) that an employer shared responsibility requirement is ineffective and leads to massive dropping of ESI, despite contrary experience in Massachusetts and in today's market where the majority of employers already offer coverage on a voluntary basis.
- In addition, the analysis says there are no offsets in the discussion draft, yet the bulk of the text consists of payment and delivery system reforms in Medicare and Medicaid that will yield hundreds of billions of dollars in savings. If they missed 500 pages of legislative text, what else did they miss?

--Finally, on a positive note, HSI states that **"In contrast to the Senate version of this bill, the House version is more fiscally prudent and effective."** Given that CBO has scored the Senate versions at \$1-\$1.6 trillion, this indicates that the likely estimate from CBO of the House version is less than that, yet covers more people.

--This critical conversation should be based on facts and merits, not phony numbers pushed by those with a political or ideological agenda.