PolitiFact: ‘Government takeover’ of health care is lie of year

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PolitiFact, the Pulitzer Prize-winningtruth-in-politics reporting project started by the St. Petersburg Times, has named "a government takeover of health care" as its 2010 "Lie of the Year."

Here's an excerpt from PolitiFact writers Bill Adair and Angie Drobnic Holan:

"Government takeover" conjures a European approach where the government owns and runs hospitals and clinics. None of the bills passed, parts of which have already gone into effect, relies largely on the free market:

• Employers will continue to provide health insurance to the majority of Americans through private insurance companies.
• Contrary to the claim, more people will get private health coverage. The law sets up "exchanges" where private insurers will compete to provide coverage to people who don't have it.
• The government will not seize control of hospitals or nationalize doctors.
• The law does not include the public option, a government-run insurance plan that would have competed with private insurers.
• The law gives tax credits to people who have difficulty affording insurance, so they can buy their coverage from private providers on the exchange. But here, too, the approach relies on a free market with regulations, not socialized medicine.

PolitiFact reporters have studied the 906-page bill and interviewed independent health care experts. We have concluded it is inaccurate to call the plan a government takeover because it relies largely on the existing system of health coverage provided by employers.

It's true that the law does significantly increase government regulation of health insurers. But it is, at its heart, a system that relies on private companies and the free market.

Republicans who maintain the Democratic plan is a government takeover say that characterization is justified because the plan increases federal regulation and will require Americans to buy health insurance.

But while those provisions are real, the majority of Americans will continue to get coverage from private insurers. And it will bring new business for the insurance industry: People who don't currently have coverage will get it, for the most part, from private insurance companies.

Consider some analogies about strict government regulation. The Federal Aviation Administration imposes detailed rules on airlines. State laws require...
drivers to have car insurance. Regulators tell electric utilities what they can charge.

Yet that heavy regulation is not described as a government takeover.

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