



**JUST THE FACTS!**

**TITLE: "AND THEY'RE OFF (PART DEUX)"**

**EPISODE#: 22**

**HOST**

Welcome back to Just the Facts, the weekly vid-cast from FactCheck.org, I'm Emi Kolawole, and just like we did last week with John McCain, this week we're going to be taking a gander at Barack Obama – and specifically a statement that he said repeatedly on the campaign trail regarding his healthcare policy.

**VIDEO: BARACK OBAMA CAMPAIGN SPEECH**

**HOST**

On June 5<sup>th</sup> in Bristol, Virginia, Obama said: "We'll lower premiums by up to \$2,500 for a typical family per year." But wait there's more! Obama says most of these savings will come from"

**VIDEO: BARACK OBAMA CAMPAIGN SPEECH**

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"... investing in a paperless health care system to reduce administrative costs..."  
And not only that, he claims to be able to do this...

**VIDEO: BARACK OBAMA CAMPAIGN SPEECH**

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"...by the end of my first term as president of the United States."

But experts say that's unlikely. According to Obama's health care plan documentation and a memo from his panel of health care experts, Obama's claim of savings through electronics records keeping is based entirely on a RAND Corporation report, which claims that IT investments could save as much as \$77 billion a year. The Obama campaign includes that in their \$120 to \$200 billion savings estimate that they claim will come as a result of his plan. But there are problems with the Rand Corporation report.

## **GRAPHIC: RAND STUDY**

### **HOST**

First, the Congressional Budget Office criticized it as an overly optimistic best-case scenario. Second, the RAND report itself assumes it will take a number of years – until 2019 – to adopt electronic records and reach the \$77 billion in savings. In the meantime, estimated savings are substantially less. RAND says:

## **GRAPHIC: RAND STUDY QUOTE**

### **HOST**

“At 90 percent adoption, we estimate that the potential HIT-enabled efficiency savings ... could average more than \$77 billion per year (an average annual savings of \$42 billion during the adoption period).”

That means RAND’s researchers don’t project savings for the next presidential term, or the one after that, to be as high as \$77 billion a year, like the Obama campaign says. Instead, RAND’s researchers say that savings could be as much as \$42 billion a year on average while doctors and hospitals adopt electronic systems. And they’re doing that already, albeit very slowly -- so the system’s already reaping some of those savings

But the big question for Obama is whether he can actually foster the adoption of electronic records in one term. We spoke with one of his healthcare advisers who told us it could take as long as five years to adopt the system. And a lead author for RAND’s study said that he’s “not real confident” that the system will be adopted by the study’s 2019 target date.

## **GRAPHIC: DESROCHES QUOTE**

### **HOST**

And experts say the savings from electronic records aren’t likely to go to consumers. Harvard’s Catherine Desroches, who has researched health IT issues told us: “Definitely insurance companies and federal and state payers would see savings. I’m not sure individuals will see savings, [except] in the unlikely event that payers realize these savings and pass them on in the form of lower premiums.”

So when Obama says he will:

## **VIDEO: BARACK OBAMA SPEECH**

### **HOST**

“...lower premiums by up to \$2,500 for a typical family per year...” It’s not likely

he'll reach that level of savings with electronic medical records – which is a large part of his savings estimate. Nor is it likely that he'll be able to do it all in his first term.

And that's it for this episode of Just the Facts! For more on Obama's past misleads, be sure to check out our website at [www.factcheck.org](http://www.factcheck.org). I'm Emi Kolawole, thanks for watching and see you next week.