



## **For GOP on health care, there's no 'moving on'**

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On Friday, House Speaker Paul Ryan trudged to the White House to tell President Donald Trump Republican leaders didn't have the votes to pass their health care bill. Then, moments before a scheduled vote, leadership withdrew the bill.

Paul Ryan says it was a "setback" and that Republicans are "moving on" from health care. Meanwhile, Donald Trump says Obamacare will explode and it won't be pretty. "We will be living with Obamacare for the foreseeable future," Trump told the media after the House pulled the bill.

There is no way this will stand. No matter what President Trump says, he is not done with Obamacare. Congress still needs to rescue Americans from this law. Now they have a chance -- and a responsibility -- to do it right.

What happened to bring us to this point? Conservatives in the House Freedom Caucus noticed that the American Health Care Act (AHCA), which I call the "Obamacare Preservation Act," would have kept the very worst provisions of the law, including its so-called pre-existing conditions provisions. Because many Obamacare enrollees were sicker (and costlier) than anticipated, premiums skyrocketed and insurers backed out of state exchanges. With fewer options, sick people in some states faced low-quality coverage and collapsing markets.

Take Melissa Nance, a 45-year old Knoxville, Tennessee, resident with an aggressive form of leukemia. She bought a Humana plan, but now Humana is leaving the market. Some 43,000 Tennesseans have no exchange plan options for next year.

These regulations simply do not work. Those of us who opposed Obamacare since day one know why they had no place in the original health care law, and why there was even less room for them in a bill purporting to improve on it.

### Failing at health care: A presidential tradition

Research published by economists from Harvard and the University of Texas shows these regulations effectively penalize insurers who offer the best coverage for conditions like multiple sclerosis. The researchers found Obamacare forces insurers to take a \$14,000 loss for every MS patient they enroll. Those penalties mean insurers must try to avoid those patients by slashing MS coverage, or risk going out of business. Patients who have or may develop MS and other expensive conditions "cannot be adequately insured," they write.

But, some argue, those price controls are at least good politics, right? Wrong.

A Cato Institute/YouGov poll I helped design shows voters support those price controls by 2 to 1 — if you only ask about the supposed benefits. Voters oppose Obamacare's preexisting conditions provisions by 2 to 1 if those provisions cause the quality of care to fall.

The decision to keep these provisions in the AHCA proved to be the bill's downfall. The House Freedom Caucus, which had enough members to block the bill, demanded that the bill include a repeal of these harmful regulations. The House leadership refused.

Because House leaders kept clinging to those Obamacare regulations, every time they tried to fix the bill's deficiencies, it ended up resembling Obamacare even more. It led them to preserve other Obamacare regulations, much of its spending, including the creation of new taxpayer bailouts of insurance companies. The amendments House leaders offered as purported compromises to conservatives just ended up increasing taxes, government spending, and market instability.

This health care showdown was like watching the 1983 film "War Games," in which a sentient computer program called Joshua takes control of the US nuclear arsenal and, thinking it was playing a game, prepares to launch a strike against the Soviet Union. A computer whiz played by Matthew Broderick makes Joshua run countless simulations, where both sides always lost, until Joshua concluded that global thermonuclear war is "a strange game" where "the only winning move is not to play."

Congress needs to do the opposite of "move on" from health care. It needs to drive down prices for the vast majority in the individual health-insurance market by repealing Obamacare in full. It could then subsidize those who still could not afford coverage by converting Medicaid to block grants that give states the flexibility to target those resources to the truly needy. Finally, it should drive prices downward by expanding tax-free health savings accounts (HSAs).

Keeping Obamacare's regulations inevitably leads to keeping the rest of Obamacare, too. The only winning move is not to play that game.

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