

# The Daily Dot

## 6 things people already hate about Trumpcare

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March 8, 2017

House Republicans just unveiled a roughly [123-page bill](#) to replace [Obamacare](#), and... everyone already hates it.

Critics of the American Healthcare Act (AHCA), which makes several substantial changes to the still relatively new 2010 healthcare law known as the [Affordable Care Care \(ACA\)](#) or Obamacare, warn it will lead to Americans losing healthcare coverage and increasing healthcare costs. As written, the Republican legislation would kill the Obamacare tax penalty for people who don't have health

As written, the Republican legislation would kill the Obamacare tax penalty, known as the individual mandate, for people who don't have health insurance and introduce a new system of tax credits for people to buy their own health insurance on the open market.

The [Republican healthcare plan](#) does preserve a few well-loved aspects of Obamacare, such as the policy allowing young adults under the age of 26 to stay on their parent's healthcare plan or the ban on preventing people with pre-existing conditions from health insurance eligibility. States that opted into Medicaid expansion under the AHCA would be able to continue to do so until 2020 when the option would expire. This gives the millions of Americans who newly qualified for Medicaid under Obamacare four more years of breathing room and leaves open the potential for Democrats to regain control of either chamber of Congress or the White House. [The Atlantic](#) also points out that the Republican plan includes those who earned too much to qualify for Obamacare tax subsidies for low-income individuals, allowing Americans in the \$50,000 to \$150,000 income bracket and above to qualify for tax credits depending on their age and income.

But what do people—including other Republicans—hate about the Republican healthcare plan, other than the fact that it doesn't even mention the word “Obama” in its name?

### 1) A 30 percent penalty for any gaps in coverage

Don't have health insurance but open to the idea of enrolling in a plan when you get older or sicker? The American Healthcare Act will impose a [30 percent penalty](#) on those who enroll in insurance without having had coverage in a previous year. Similar to the individual mandate, the Republican's continuous-coverage penalty aims to give people the incentive to enroll in health

insurance before getting sick. New health insurance recipients will pay 30 percent more per month in their first year than those with no lapses in their coverage. The extra money would go to your insurance company, not the federal government.

For sake of comparison, those who opted out of health insurance under Obamacare paid a tax penalty under the individual mandate; in 2015 that figure was \$325 per person, in 2016 that figure rose to \$695 per person.

## **2) All but the youngest and richest would pay more under AHCA**

Multiple studies comparing ACA and the AHCA find health insurance costs will increase and tax subsidies will decrease under the Republican replacement. Older, sick, and low-income enrollees will pay substantially more under the AHCA due to hits to Medicare and Obamacare's limits on how much insurers can charge older people. But young, healthy people and those who make over \$50,000 a year may see a substantial increase to their tax refund under the Republican plan due to tax credits. But if their health insurance premiums or any out-of-pocket healthcare costs go up, these savings could be moot.

The Kaiser Family Foundation found that the Republican healthcare plan would result in smaller tax credits for people who are low-income, older, or live in areas with high premium costs. KFF estimated that the average tax credit for current Obamacare marketplace enrollees would rise from an estimated \$2,957 in 2020 to \$3,729 in 2027 under the Republican healthcare plan. By comparison, the average tax credit under Obamacare would be \$4,615 in 2020, increasing to \$6,648 by 2027.

An independent estimate by Vox found that the Republicans' healthcare bill would increase costs for the average Obamacare enrollee by \$1,542 if it were to go into effect today.

## **3) Defunds Planned Parenthood by barring Medicaid**

The Republican healthcare plan doesn't directly defund Planned Parenthood; it instead bans Medicaid funding from either directly or indirectly being used for any healthcare organization that provides abortion services. Right now, federal dollars are no longer used on abortions specifically due to the Hyde Amendment—but this bill takes it one step further by cutting off Medicaid funding altogether for any healthcare organization that provides abortions. As *New York Magazine* points out, low-income women who rely on Planned Parenthood for services like mammograms or STD testing would lose the most under such a policy.

## **4) No certainty for substance abuse and mental health coverage**

The bill has no details on what to do with the millions of people who received treatment for substance abuse or mental health under Obamacare's Medicaid expansion, who now risk losing coverage. Four Republican senators, including Sens. Rob Portman (R-Ohio), Lisa Murkowski (R-Alaska), Shelley Moore-Capito (R-W. Va.), and Cory Gardner (R-Colo.) even relayed their concerns over this issue on Monday in a letter to Senate Majority Leader Mitch McConnell (R-Ky).

Nearly 30 percent of people who received coverage from the Medicaid expansion use it to treat mental disorders (such as schizophrenia, bipolar disorder, or anxiety) or a substance abuse problem (such as alcoholism or opioid addiction), according to HHS's National Survey on Drug Abuse and Health. A total of 1.6 million substance abuse patients were newly qualified for Medicaid under the Obamacare expansion, according to figures released in June 2016.

### **5) Tax breaks for health insurance company executives**

BuzzFeed News notes that the Republican bill would remove Obamacare's cap for health insurance industry executives making more than \$500,000 dollars a year. Companies can generally deduct employee salaries from their taxes, but Obamacare put a cap of \$500,000 per person for the health insurance industry. In a nutshell, the more health insurance companies pay their CEOs, the less they pay in taxes.

### **6) Changes to Medicaid funding**

Both liberal and conservative think tanks hate the idea of Medicaid funding to states turning relying on a complex system called per-capita block grants—basically, limits on federal funding based the state's demographics and on the number of people enrolled in Medicaid—but for different reasons. Currently, the federal government matches what states spend

Currently, the federal government matches what states spend in Medicaid. Under the Republican healthcare plan, states would receive a fixed amount of money based on the demographics of their population, including how many old, blind, disabled, and youth live in the state.

States will no longer have an incentive to provide as much Medicaid funding as possible due to the federal government's promised match. But as even the conservative Cato Institute points out, a per-capita system for Medicaid would leave states responsible for new or existing healthcare costs for Medicaid enrollees.

“Just as Obamacare's Medicaid expansion creates incentives for states to expand their programs to able-bodied adults, while reducing access to care for the aged, blind, disabled, children, and pregnant women, the House leadership bill would create (or preserve) an incentive to expand enrollment to less vulnerable populations while cutting benefits for more vulnerable populations,” noted Michael F. Cannon of Cato.