



## **GOP Healthcare Bill Still Has a Functioning Individual Mandate**

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When Donald Trump (R) was elected president of the United States over Hillary Clinton (D), the one thing people on the right could agree on was that the Affordable Care Act, commonly known as ObamaCare, needed to go. Despite the genuine misgivings from bona-fide conservatives about Trump on numerous issues, many possessed optimism that Congress would finally repeal and replace the failed healthcare law. With a unified Republican government, all the party needed was a bill that did what they promised and they could move on.

Despite having six years to come up with a replacement plan, Speaker of the House Paul Ryan (R-WI) and the other members of Republican leadership hid their bill away from colleagues and the public, while Sen. Rand Paul (R-KY) literally scoured the capitol building in search of the GOP “plan.” After the release of [the bill](#), it’s pretty clear to see why leadership wanted to hide what Rep. Justin Amash (R-MI) has dubbed “ObamaCare 2.0.”

Republicans are outright lying that the bill repeals and replaces ObamaCare, as it does nothing of the sort. The bill allows all the ACA taxes to remain in place for another year, eliminates the ACA subsidies in name only (it simply renames them “refundable credits”), maintains the coercive and economically unsound requirement that insurance companies take on people with preexisting conditions without an alteration in rates, continues the so-called “Cadillac Tax” which taxes Americans more who want to have top-of-the-line coverage, and does nothing to remove restrictions preventing health insurance companies from selling across state lines.

But perhaps the boldest lie forwarded by GOP leadership regarding their bill is that it removes the nefarious individual mandate. Under the ACA, Americans are required to purchase health insurance in some form or pay a tax to the IRS. For example, the ACA’s individual mandate tax for single adults is either \$695 or 2.5 percent of income, whichever is greater. The goal of the mandate was to force people into the markets to lower premiums, which never happened.

This very mandate formed the crux of conservative litigation against the law, which ultimately failed when Justice John Roberts ruled that such actions fall wholly within Congress' taxing power in *NFIB v. Sebelius*.

The American Health Care Act repeals this requirement, but replaces it with an individual mandate in all but name. In the new system, the federal government would provide individuals with IRS health care tax credits that would be deducted upon the purchase of a health insurance plan.

But why is this bad? How can something like tax credits be as coercive as a straight-up government requirement?

Under the AHCA, the tax credits will only be available to those who purchase health insurance. People who buy an insurance plan will not pay that credited money to the IRS, but those who have chosen not to buy one will not receive the tax benefit. The incentive here is to force people into the insurance market via negative financial reinforcement. Sound familiar?

Long story short, in order to not be charged more by the government, Americans would still be required to have health insurance under the AHCA.

To demonstrate the inconsequential nature of the label, imagine a single man without health insurance under both the ACA and AHCA. Under the ACA, he would have to pay x amount of tax money to the IRS for not participating in the insurance market. Under the AHCA, he would not be able to deduct x amount of money from his taxes because he chose not to buy a health plan. Either way, our hypothetical man has less money because the government wants him to behave a certain way.

According to Michael F. Cannon's analysis at The Cato Institute, this restriction is actually more coercive than current law. "Since the effective penalty is just an increase in the taxpayer's income-tax liability, tax credits for health insurance are actually more coercive than ObamaCare's individual mandate, because the IRS has many more tools it can use to collect the penalty," he wrote.

As much as Republicans do not want to call this an individual mandate, there is no better description for it. Call me crazy, but if it looks like an individual mandate, functions like an individual mandate, and yields the same results as an individual mandate, there is only one logical conclusion to be drawn.

So after seven years of protest, electoral success, and speeches, the best the Republicans could do was a name change. Bravo.