



Cruz: Republicans Cannot Drop Health Care, Should Focus on Free Market Solutions

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Eric Boehm

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The Republican health care bill that crashed and burned last week never got anywhere near the Senate, but Sen. Ted Cruz (R-Texas) said Tuesday that Republicans cannot afford to give up on health care reforms after less than three weeks of legislative effort.

"We have got to get it done. Failure is not an option," said Cruz. "That House plan had been public for 18 days. Eighteen days does not a final product make."

Though he did not mention the president by name, Cruz' comments stand in stark contrast to President Donald Trump's remark last week that the debate over health care was "enough already." Trump indicated to the *New York Times* that he was ready to pivot away from health care reform, and Republicans' longstanding promise to repeal and replace Obamacare, in order to focus on tax reform and other issues.

Speaking at the National Press Club on Tuesday, Cruz said Republicans should focus on reforms that expand competition, give consumers more options, and lower premiums. That combination is easier to talk about than write into legislation, of course, but Cruz said the House GOP bill foundered because it did not do enough to introduce free market reforms into health care policy—something many conservative and libertarian-leaning Republicans want to see.

"There is a great deal of consensus among Republicans about how to get this job done," Cruz said.

Getting there, the senator said, would require repealing Obamacare's mandates on coverage, expanding the usage of health savings accounts that allow patients to pay for medical costs with pre-tax dollars, and allowing insurance purchases across state lines.

That last idea was a central part—actually, it was really the only part—of Trump's pitch for health care reform during last year's campaign. Yet it was absent from the House GOP health care bill that failed to pass last week.

More competition across state lines would be a positive development by removing arbitrary limitations on competition, and would provide more options in places where Obamacare has driven insurers out of the individual market. Allowing out-of-state purchases could lower premiums by as much as 13 percent, according to the Congressional Budget Office. Michael Cannon, health policy director for the free market Cato Institute, argues that only insurers, health care providers, and regulators (in other words, everyone except consumers) benefit from the current structure.

On it's own, it's not a panacea for the American health care system. An analysis from the Urban Institute found that allowing insurance sales across state lines would be unlikely to reduce premiums without regulatory changes. Five states have already passed laws allowing out-of-state insurance purchases, but no insurers have taken advantage of the opportunity.

Still, it's an idea that would find "near unanimity" among congressional Republicans, Cruz predicted. That, he said, is where negotiations should start.

"We could do an enormous amount of good," Cruz said of Republicans' control of the legislative and executive branches of the federal government, "or we could screw it up badly."