



Once Obamacare repeal is dead, the GOP has no plan B

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After seven years of promises, seven years of warnings that Obamacare was perhaps the worst law that had ever been written, Republicans finally got their chance to repeal it. They failed, spectacularly, in late July.

Lawmakers now have **less than a month** before the dream of Obamacare repeal is truly dead. A few senators are trying to drag **one last-ditch plan** across the finish line, but Senate leadership has all but said repeal is over. House Speaker Paul Ryan has moved on to tax reform. A small bipartisan health care bill is in the works.

Republicans, including the Obamacare opponents outside the halls of the Capitol who so often set the agenda for Congress, are in uncharted territory, wandering the wilderness without the promise of Obamacare repeal to cling to. Now they are beginning to imagine what life looks like now that the dream of “Obamacare repeal” might really be dead.

I asked six of these Obamacare opponents, policy experts at conservative and libertarian think tanks, what they learned from the spectacular failure of Obamacare repeal and what they think happens now, in this strange new reality we all occupy.

They mostly agreed that Republicans should drop the idea of “repealing and replacing” Obamacare — but otherwise there was little consensus. Some think the next steps must be incremental and bipartisan. Others think that there is still a place for comprehensive health care reform plans. Given the increasing appetite for Democrats to embrace single payer, some aren’t sure they have trustworthy allies on the other side of the aisle. At least one is still holding out hope that Obamacare could be undone, and soon.

Wounds must be licked and fissures must be healed, but the overall impression is a movement moving on from perhaps the most disastrous and humiliating legislative failure in a generation. They aren’t sure quite sure where they’re heading. But they have some ideas.

1) It’s probably time to let go of “repeal and replace”

From the day Obamacare passed, Republicans ran on a pledge to “repeal and replace” it. The problem, almost everyone I talked to agreed, is they **never ended up agreeing** on what exactly that would mean.

“Repeal and replace” was an effective political slogan, but didn’t really provide any policy prescriptions to guide Republicans.

So when they won control of Washington in 2016, Republicans realized that there were deep divisions within their party about what to do. Some of their own members were uncomfortable totally rolling back a law that, like it or not, had extended health coverage to 20 million Americans. Others were committed to the full repeal that they had been promising. Bridging that gap proved impossible.

“There really wasn’t a robust and serious conversation about what is the conservative or Republican solution to health care policy,” Dan Holler, who oversaw the repeal debate for Heritage Action for America, told me. “There was really no consensus within the Republican Party on where to go forward.”

As Doug Holtz-Eakin, president of the American Action Forum, said, with a hint of hyperbole, you could repeal all of Obamacare and then reinstate it minus, say, the independent payment advisory board designed to keep Medicare costs under control — and that would technically be repealing and replacing.

But not in the sense that most of the law’s opponents had come to believe.

“I believe that language has become unhelpful and needs to go away,” Holtz-Eakin said.

This is where the summer’s devastating failure makes itself most fully felt. Republicans have not prepared for a reality in which they failed to repeal the 2010 law.

“We’ve had this seven-year period where the whole conversation on the right has been about repeal and replace,” Avik Roy at the Foundation for Research on Equal Opportunity, one of the foremost supporters of the bills that Congress considered this year, said. “There was no plan B on what to do if repeal and replace were to fail.”

That opinion is not universally shared. Michael Cannon, with the libertarian Cato Institute, told me that there is another way to view the Senate’s failure: Republicans were a few votes away from substantially rolling back Obamacare, a result that he himself did not believe was possible back when the law was passed.

Whether it’s in the next three weeks before the current reconciliation window expires, or next year, or whenever, Cannon sees it as a binary choice: Repeal Obamacare or fix it. The latter, he said, would be a betrayal by Republicans.

“They either keep trying to repeal Obamacare and they’re closer than most people acknowledge. They were really only a few votes away,” he said. “The other option is to try to fix Obamacare. If Republicans do that, they are going to be alienating a huge chunk of their political base.”

2) Figure out what the conservative goals are

Everybody agrees there was a lack of consensus in the “repeal and replace” plans, but, given the divisions on what to do now, that yields very different ideas about where to go from here.

Robust repeal is still the goal for a few. Others are focusing on a narrower approach, largely working in the confines of Obamacare. Some are focused on what they are trying to stop, like significant funding being poured into Obamacare’s markets to stabilize them.

“We know what we don’t want to see,” Marie Fishpaw, director of domestic policy studies at the Heritage Foundation, told me. “We don’t want to see any bailout of a program we believe is fundamentally flawed.”

Roy described his ideal end state as one similar to the Swiss system: Universal coverage, through private insurance and subsidization, but without that country’s individual mandate or overly prescriptive federal mandates for benefits.

Still, there were some shared visions. Any wonk on the right will talk about equalizing the tax code by capping the unlimited tax break for employer-based insurance and dramatically expanding health savings accounts. Everybody wants more power returned to the states. Everybody is concerned about reining in the costs of the Medicare and Medicaid programs over the long term.

Health care costs in particular are a unifying theme — an issue sometimes but not exclusively tied to Obamacare. Holtz-Eakin sketched out an agenda that focused on changing how health care is delivered in the United States and increasing competition in the delivery system, rather than an obsessive focus on coverage.

“Insurance is a way of shifting around the national health care bill from people who incur to the people who pay it. The real issue is the underlying bill,” he said. “It’s actually the practice and the conduct of the delivery system that drives people crazy. It’s not like the rest of the economy where consumer sovereignty still matters.”

3) Maybe focus more on small reforms than big ones

One of the ironies of Congress’s attempts to repeal Obamacare this year was they ended up crafting a bill that aimed to be as comprehensive as possible — even adding a fundamental overhaul of Medicaid to the mix — after years of slamming Obamacare for being a huge bill that nobody fully understood when it was passed.

That’s led some conservatives to conclude that one of the fundamental mistakes made by Republicans this year was pursuing a single bill and conservatives would do well to return to a more modest approach that they had long promised.

“Health care reform is not a bill. It’s a process. It’ll be an ongoing process,” Holtz-Eakin said.

Even Cannon, maybe the most uncompromising Obamacare opponent, agreed — so long as the incrementalism moved in the right direction.

Sen. Ted Cruz’s **proposal** to let non-Obamacare plans back on the marketplaces would be, from his point of view, an improvement that is not a comprehensive bill. But the kind of Obamacare stabilization package being discussed by Senate Republicans and Democrats, while also a relatively narrow piece of health policymaking, would not.

“Incrementalism is easier than wholesale change,” Cannon said. “I think there are incremental steps you can take. The problem is that most of the incrementalism Republicans are discussing now is incrementalism in the wrong direction, incrementally more money being thrown at Obamacare, which is not gonna solve anything.”

Others argue that there is a place for big bills. Roy noted that Obamacare only passed as it did, and health care providers only accepted provisions like Medicare reimbursement cuts that they would oppose in isolation, because the law's many pieces were interconnected.

"I think there is a role and virtue for comprehensive health care reform. Certain types of reforms only work in concert with other reforms," he said. "The big problems with our health care system are gonna be really hard to solve with incremental reform. You really need to be more ambitious."

4) Decide if it's time to work with Democrats

Bipartisan health care talks, with a very small scope, are already underway in the Senate, and some conservatives believe that is the only path forward. Seven years of scorched earth have left Obamacare nonetheless the law of the land. Republicans wasted their first seven months in office in a partisan pursuit of repealing it.

A hyper-polarized health care debate has left conservatives with Obamacare still in place, even if they believe it is still struggling, and their own plan suffered a scathing defeat without Democratic votes.

"The political process and our constitutional structure is crying out for a serious, not superficial, bipartisan negotiations around health care," Jim Capretta, resident fellow at the American Enterprise Institute, told me.

Without it, he said, health care will continue in this uncertain limbo: Obamacare is the law of the land, but its Republican stewards are categorically opposed to it. That reality risks disaster for the law and its beneficiaries — disaster that could bounce back onto Republicans if the American people blame the party in power.

"Until there is some kind of bipartisan negotiation and agreement that builds more consensus, the instability we've witnessed will continue," Capretta said. "The best way out is to try to force some kind of bipartisan negotiation to try to get the best deal [Republicans] can and call it a day."

Holtz-Eakin, as he advocated for the more incremental approach, said Republicans should "go back to targeted reforms — starting out with some things that are much more bipartisan."

Here again, though, there is division. Some conservatives are deeply skeptical that Democrats, fresh off a huge political victory and edging more toward an even bigger government role in securing coverage for all Americans, are willing to engage in any major health care negotiations with Republicans.

"I'm not sure how realistic or plausible that is," Heritage's Holler said. "My sense is Democrats sense they have an opportunity to push this debate closer to single payer than they ever have. I think they'll be loath to take their foot off the pedal."

5) Give people time to adjust to a post-repeal world

There is certainly exhaustion in Congress when it comes to health care. That's true outside of Capitol Hill as well, to some extent.

“People were so stunned by the unraveling of everything so rapidly,” Roy said. “People are not really sure how to think about this stuff.”

The work never stops, of course. But it might need to change.

“There’s no permanent victory. There’s no permanent defeat,” Fishpaw told me. “We have a very clear definition of the problem, and we’re returning to the basics of where we agree.”

Roy set the (early and admittedly arbitrary) deadline of six months from now, March 2018. That would be the time perhaps to judge whether conservatives have started to move their health care conversation forward again.

“Did Republicans and conservatives make progress in thinking about health care, or are they playing the same record they’ve been playing since 2010?” he said. “I think that’s a good test.”

Then again, other Obamacare opponents, particularly those still hoping for repeal, warn against framing the debate in such a way.

“That’s a frustration I have with a lot of conservatives saying it’s not gonna happen,” Cannon said. “Look, pal, if you say it’s not gonna happen then it won’t because you’re framing political reality right now, whether you know it or not.”

So here, yet again, the post-repeal reality is still shaking out. Conservatives are reconciling themselves to a world without Obamacare repeal. They themselves don’t yet know what it looks like. Time will tell.