



## **Study: No Shortage Of Free-Market Alternatives To Obamacare**

**By Peter Fricke**

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As the Supreme Court considers whether to restrict Obamacare subsidies, a new report seeks to refute the false perception that conservatives have not offered any credible alternatives.

The Supreme Court began hearing oral arguments Wednesday in the case of *King v. Burwell*, which hinges on a provision of Obamacare stipulating that only plans purchased through state-based exchanges are eligible for subsidies. President Obama and his supporters contend that the restriction is a simple linguistic oversight, but lawmakers who participated in the law's creation said it was very much intentional.

Should the Court invalidate subsidies for millions of policies purchased through federal health care exchanges, Congress will face significant pressure to create an alternative to Obamacare, and with newly minted majorities in both chambers, Republicans will bear the brunt of the responsibility.

In a study released Wednesday, Dr. David Hogberg, health care policy analyst at the National Center for Public Policy Research, summarized a dozen free-market health care proposals — four advanced by Republican politicians and eight originating from conservative think tanks—that could end up performing that role.

“There are a lot of great ideas out there, from the Heritage Foundation and the Cato Institute to Rep. Tom Price and the Republican Study Committee,” Hogberg said in a press release.

“Unfortunately, most of the media has ignored them, so most Americans are unaware that free-market alternatives to Obamacare exist.”

Hogberg is hoping to change that with his report, which simplifies the detailed proposals by evaluating them according to their treatment of 11 health care policy issue areas, such as coverage for pre-existing conditions and whether they include tax credits or subsidies.

His spreadsheet reveals areas of both consistency and variation between the plans, with some provisions that are widely shared and others that are unique.

One area of commonality, Hogberg told The Daily Caller News Foundation, is that “most of them are premised on repealing most if not all of Obamacare,” especially its more onerous aspects such as the individual mandate and minimum coverage requirements.

“The only one that stands out that does not fully do that [repeal Obamacare],” he added, “is the plan proposed by Avik Roy, which seeks to build on Obamacare.”

Roy, a senior fellow at the Manhattan Institute, defended his proposal at a recent symposium by arguing that simply repealing Obamacare would be a hollow victory, because “Obamacare is not the only thing we have to overcome.”

Far from an acceptance of defeat, though, Roy presented his plan as a means of using the Obamacare framework to scale back Medicare and Medicaid, which he said account for a much larger portion of federal health care spending.

Many of the plans, including Roy’s, also call for transferring Obamacare subsidies into health savings accounts (HSA’s), which are tax-free savings accounts that individuals can use to purchase high-deductible policies.

“One thing that is interesting to me, and that I wish all new tax treatment would follow,” Hogberg said, “is the proposal by Michael Cannon [director of health care policy at the Cato Institute] on large HSA’s, where you can either use it to purchase insurance, or you can put it in savings to purchase health care directly.”

“We are a nation of over 300 million people with diverse preferences,” Hogberg pointed out, and Cannon’s HSA proposal not only gives them the flexibility to make health care spending decisions as they see fit, but also “provides protection for people who may live in a state that over-regulates insurance.”

In New York, for example, he noted that, “the cheapest policy available on the individual market is over \$3,200 per year. A \$2,000 subsidy won’t cover that, but large HSA’s give people the option of not purchasing that policy, and instead paying their health care expenses independently.

“King v. Burwell could give Congress a big opportunity to move the nation away from the disaster that is Obamacare and toward a free-market health care system that would make health care and health insurance more affordable for everyone,” Dr. Hogberg said in the press release. “And as the dozen plans show, there are ways to do it that will help people on the federal exchanges who could lose subsidies.”