



By any name, the Republican health care plan is a mess

March 15, 2017

Call it the American Health Care Act. Call it Republicare. Call it, as some conservative critics immediately did, Obamacare 2.0 or Obamacare Lite. Call it TrumpCare, though the White House, sensing disaster, would prefer that you not. Just don't call the health care plan unveiled by House Republican leaders last week an improvement on the Affordable Care Act of 2010.

There are so many things wrong with this plan that it's hard to know where to begin.

Staunch conservatives such as the Koch Brothers, Heritage Foundation and Cato Institute are among its harshest critics. Health policy expert Avik Roy, an influential critic of the Affordable Care Act, tweeted, "House GOP's Obamacare Replacement Will Make Coverage Unaffordable For Millions — Otherwise, It's Great."

Sen. Tom Cotton, R-Ark., tweeted Thursday: "House health-care bill can't pass Senate w/o major changes. To my friends in House: pause, start over. Get it right, don't get it fast." He was particularly irked by the lack of a price tag in the measure.

Hard-line conservatives hate the bill because it doesn't repeal Obamacare as promised. Instead, the GOP bill uses Obamacare as a platform on which to construct a replacement, thereby

enshrining a government role in subsidizing health insurance and effectively acknowledging health care as a basic human right. That notion makes many conservatives seethe.

Liberals will hate the bill because, at its core, it pays for a tax break for the rich by taking Medicaid away from poor people, including Medicaid services for poor women provided by Planned Parenthood. It would turn Medicaid into a block grant by 2020, allowing states to triage among the poor people eligible for many programs. It eliminates all of the taxes that pay for Obamacare, including 0.9-cent higher payroll tax on income over \$200,000 and a 3.8 percent surcharge on investment income in households earning more than \$250,000. Over 10 years, it's a \$600 billion tax break for the wealthy.

That higher payroll tax on wealthier Americans goes to the Medicare Trust Fund, which reimburses hospitals for care given to senior citizens. The Brookings Institution says the Republican plan would fully deplete the Medicare Trust Fund by 2024, four years earlier than anticipated. Expect Democrats to make a major issue out of the threat to Medicare patients and to hospitals.

The president had very little to do with the bill, though he's promised to fight for it. On Tuesday, he warned House Republicans they'll face an electoral "bloodbath" if the measure doesn't pass. It utterly fails to meet Trump's promise to replace Obamacare with "something terrific" that provides "insurance for everybody," with better coverage at lower prices. Indeed, if estimates are correct, those least able to afford this measure's higher prices are key parts of Trump's constituency: older Americans and working-class families earning \$35,000 or less.

On Tuesday, Trump took ownership, tweeting "Our wonderful new Healthcare Bill is now out for review and negotiation."

As for "review and negotiation," not so much. House GOP leaders, who complained relentlessly that Obamacare was "jammed down our throats" after a yearlong process, are fast-tracking their version after having kept it locked away. It hasn't even been reviewed by the Congressional Budget Office, which analyzes bills for their financial impact. Hearings are underway, but don't expect answers to these key questions: How much will it cost? How will costs be covered? How many people will be affected? What might be the downstream repercussions?

Senate Majority Leader Mitch McConnell, R-Ky., says he'll skip hearings on the Senate side and bring the bill to the floor as soon as the House sends it over. Health care makes up 16 percent of the economy, and Republicans are hoping to have this massive overhaul wrapped up by Easter.

This is the opposite of responsible governance. This bill is a slapdash measure designed to fulfill the GOP's "repeal-and-replace" promise. If it passes — and that's far from certain given hostility on the right and left — Republicans will regret it.

For all the derision Republican leaders heaped on Obamacare, this measure keeps some of the Affordable Care Act's more popular provisions, including guarantees that people with pre-existing conditions can be insured, that young people can stay on their parents' policies until age 26 and that insurers can't set lifetime limits on coverage.

The much-hated “individual mandate,” requiring people to buy insurance, is replaced with a 30 percent penalty if people who go uninsured for 63 days, then opt to get insurance. It is a mandate by another name. The bill drops the requirement that large companies provide health insurance for their employees.

The GOP bill doesn’t pay for any of this. Obamacare required healthy people and wealthy people to subsidize costs for the sick and the poor. That’s why so many conservatives hated it, but this kind of risk-pooling is how all insurance works. The GOP plan offers tax credits that will, for millions of low-income working class Americans, fall far short of what is needed to buy decent insurance.

Health care policy, as President Trump recently discovered, is enormously complicated. Every part of it is intertwined with every other part. As much as they groused about Obamacare, Republicans have now proved they had nothing better. Now they own it.